

AN EMPIRICAL ASSESSMENT OF MICROFINANCE AND ITS ASSOCIATED SOCIO-ECONOMIC DEVELOPMENT

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Abstract: Microfinance institutions (MFIs) provide support for the sustainability of livelihood and financial inclusion through social development. Micro-enterprises help in empowering the communities especially marginalized section worldwide. The MFIs attempt to transform the lives of poor people, through different interventions. It revolved around the social development of marginalized people. In recent decades, microfinance played a vital role in alleviating poverty and involved empowering low-income earners socially and economically. The present study intended to highlight the role of MFIs located in Jabalpur (Madhya Pradesh) in enhancing the social and economic status of beneficiaries. This study also acknowledges the significance of MFIs in eradicating poverty, through financial services. In this research, questionnaire responses were gathered and analyzed from 150 beneficiaries of three MFIs (Credit Access Grameen, ESAF, and Fusion Micro-finance) in Jabalpur. The exploratory data analysis reveals diverse findings, regarding the impact of microfinance on the socio-economic conditions of beneficiaries through improving their savings, supporting the employment generation, and as a whole improving life standards as well as eradicating poverty. Alternatively, MFI programs also assist beneficiaries in employment generation, to a certain extent. The conclusion of the research prioritizes that MFI programs ought to be accelerated more by the Government through different schemes and can be easily accessed to even remote areas for economic expansion and social development of low-privileged people.

Keywords: MFI-Microfinance institutions, Jabalpur, social development, economic condition financial services.

JEL Codes: D00, D12.

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Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

1. Introduction

Microfinance is defined as the provision of a broad range of different financial services including insurance, savings, payment services, and credit to low-income and poor people (Kumar, Chauhan, & Kumar, 2015). The poor people are deprived of reaching out to formal financial institutes since they fail to provide collateral. Microfinance was identified as a beneficial tool in combatting poverty and fulfilling the basic requirements of the poor consistently and independently. This provides small-interest credit services to poor people and can exploit employment opportunities and expand the present business activities.

The non-government and government microfinance institutes were performing in African and Asian countries to serve the clients. In 1990, the decade is referred to as the decade of Microfinance, and a new Micro-credit Summit was launched to develop small businesses in 1997 for poor people empowerment. Nearly one hundred and seventy-five million poor households and women population within families had focussed on reaching the micro-credit Summit (Rehman, Moazzam, & Ansari, 2020). Similarly, in 2005, the United Nations announced this year to be the International Year of Micro-finance, because of MFI's contribution to minimizing the poverty vulnerability globally. (ADB) Asian Development Bank, comprises two different primary sources such as offering microfinance to needy people, informal institutes, and semi-formal and formal institutes. The Co-operatives and rural banks were playing a predominant role in developing nations as formal Microfinance streams. The primary part of MFI narrated its key objective to be fascinating micro-credit to the low-income people, who were not able to provide the collaterals to those MFI (Farghly, Saleh, Youssef, & Bary, 2018). The activities of MFI encompasses offering small loan amount since the MFI client consists of daily wage people or low-income earners. These people may generally have constrained access to different financial services such as remittances, insurance, savings, and loans. The MFI paves a road path to explore the small business of these low-income earners. The loans were offered for various benefits like the development of micro-enterprise and their establishment.

The major goal of this MFI is to provide consistent financial services like savings and credit to relieve the low-income bearers (poor) from financial constraints. The MFI aids in eradicating poverty in society concern. Irrespective of whether it is profit-oriented or not like so, every MFI attempts to increase the performance of repayment. Both borrowers and MFI were greatly related to higher rates of repayment. The higher rates of interest enable MFI to minimize loans' financial costs and to permit more count of borrowers in their accessibility by eliminating charged interest rates to those borrowers. For example, usually, there are three categories of institutions such as commercial and specialized banks, (NGO) non-Governmental organizations, and been operated using BARDM BRDB, RDA, ministry of

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

government, or other departments. But also this micro-finance plays a vital role in developing the social status of low-wage people or in the empowerment of people through business or loans (Zahir, Al Mamun, & Shrestha, 2020).

Many recognitions and achievements are claimed about micro-finance activities effects and foreign-observer could not however wonder at the broad level of amenities bought down by MFI. For different socio-economic reasons, Bangladesh is one of the poorer countries, wherein half of the entire population lives below the line of poverty at this time. Hence, the reduction in poverty and generating rural employment for those people stand as the topmost priorities, for the government of Bangladesh (AHAMAD, BHUIYAN, SOLAIMAN, & JOARDER, 2021). Hence the government initiates a wide approach for alleviating poverty, to improve the economic status of the public and nation through emphasizing economic independence, support for MFI, empowerment, and macro-economic stability. In this approach, MFI turned out widespread throughout the nation and aided in expanding the economy and alleviating poverty tremendously. In Bangladesh, some of the examples of leading MFI were ASA, BRAC, and Grameena Bank (Chouksey & Karmarkar, 2019).

Across the World, MFIs try to construct a unique kind of tripod in financial inclusion, and sustainability of livelihood through social development and micro-enterprises to empower communities of marginalized sections. The research spoke about the involvement of MFIs in preventive healthcare, financial literacy, livelihood promotion, capacity building, training and education, sanitization and water, etc. beyond the core financial activities like micro-credits to the poor. Out of 23 MFIs operate 20 backward districts in Madhya Pradesh. MFIs shifted the focus to states like Uttar Pradesh, Madhya Pradesh, Bihar, and Rajasthan; the states from south India like Tamil Nadu, Kerala, and Karnataka indicate greater penetration of MFI, in the backward districts and commensurate with overall greater penetration across these India states. However, it has been a contradiction that the work of MFIs done only in backward districts and backward states. MFIs operate currently in 568 districts, 28 states, and 5 union territories in India (Jamal & Mazhar, 2019).

Indian MFIs extended their environmental outreach and also associated their footsteps in the arena of social development in a wide way. Particular thrust area with social development where the Indian MFIs are active includes financial literacy, preventive health care, capacity building, livelihood promotion, training and education, sanitation and water, etc. (Lindhahl & Mokvist, 2020). In the existing study particular important interventions by many MFIs have been revised to cause more actions on borders also with particular discourse and academic research on the subject. According to the Bharat Microfinance report, several MFIs have been involved in socio-developmental initiatives such as preventive healthcare (45), water

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

and sanitation (35), financial literacy (51), training (56), capacity building (35), education (31) and livelihood promotion (56) (Mohd, 2018).

There lies a powerful argument for central bank authorities and regulators, to expand the efforts rapidly at stabilization of the financial sector to indulge all Microfinance norms. The industry of Microfinance was connected closely with the rural economy by offering micro-credit to non-financial services and smaller businesses to poor households. With the rapid progress of micro-finance activities, several studies in identified MFI programs' effects on poverty reduction, and some researchers also emphasized assessing the impacts of micro-credit and savings services on the living standards of the people. The parameters such as social and economic progress are lacking in the existing studies with detailed quantitative analysis as well as empirical evidence.

Today Microfinance movement seems thriving and large, evidenced by the existence of 916 MFI. Having an approximate aggregate loan portfolio, constituting 124 billion dollars. MFI had nearly 140 million active borrowers, globally in the year 2018, of which 80 percent of them were women and 65 percent of the population are people residing in rural regions. To incorporate more services, both non-financial and financial, microfinance orientation diverges from lending to low-income people to pursue double bottom-line goals of financial sustainability and outreach (Zamore, Beisland, & Marsland, 2019). In today's era, MFI Serves hundreds of millions of borrowers hence playing a key role in uplifting societal and economic status and alleviation poverty in developing nations, specifically in Pacific and Asian countries. MFI were the invincible knights to shine armor on a mission to eradicate salvage and poverty. The financial stability of the population is yet a concern for MFI, and it should essentially behave like other firms, focused on being profitable (Zamore et al., 2019). Even though like another financial sectors like commercial banks, MFI were evaluated commonly with regards not alone to profits but to other social impacts.

The role of micro-finance whether local or global is to provide financial services and substantial financial flow to economically marginalized populations, who are often ignored by the formal financial stream. With the evolution of microfinance, in developing economies, the people excluded from the traditional financial system, possess access to alternatives in saving and borrowing, instead of having dependency on friends and family. MFI possesses considerable changes in socio-economic conditions, and ought to be assessed, prior to rectifying the gaps. Microfinance can maximize self-employment and evolve in creating microenterprises (Nogueira, Duarte, & Gama, 2020). With the support of micro-finance, in many developing nations, the household was capable of expanding opportunities for income accumulation, hence permitting people to offer to their respective families. By

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

having accessibility to credit, could aid in recovering from poverty, in immediate terms, in disruption of the poverty cycle, hence facilitating business opportunities. Through the assistance of micro-finance, entrepreneurs in developing nations, and impoverished communities, might operate, survive, and even thrive by generating more employment opportunities. Participation in microfinance programs, related to high consumption levels, better nutrition commonly uplifted living standards, and progressing economies (Nogueira et al., 2020). In spite of the inherent purpose, of acquiring good benefits, it seems crucial to acknowledge MFI is not without any faults, a few of them include, driving client over-indebtedness, exorbitant interest rates, questionable record upon female empowerment (Garikipati, Johnson, Guérin, & Szafarz, 2017), overemphasis upon credit instead of other related financial services, lacking in explaining the impacts on reduction of poverty.

The need to reconsider MFI claims, both about the economic and societal impacts upon households. The profitability of microfinance as a business enterprise, which serves low-income households. The claims about profits and large were exaggerated, however, it should have claimed about its failures. There is significant, heterogeneity, in profit and impacts, and micro-finance holds real appeal in certain contexts, specifically if communities are fundamentally under-served. The expectations for effects are set higher through microfinance pioneers. Hence the impact of MFI to overcome, financial constraints, economic status, and societal parameters from the perspectives of the public is always a necessity gap to fill in, and thus it could radically expand the public opportunities to earn, in pre and post-accessibility to MFI benefits.

1.1 Problem Identification

It had been recently determined that instead of reducing poverty, the Microfinance program maximized income generation and consumption, however microfinance scenario, fails in supporting sustainable business-enterprise, for certain reasons. The micro-finance institution ensures the empowerment of the economy to a higher degree of extent. There lies a huge necessity to arrange the credit-plus programs through MFI, to attain more and more empowerment of its beneficiaries. Few researchers had disclosed that these MFI programs would not contribute properly towards the socio-economic development of the nation and in alleviating poverty as per expectation. The significance of the MFI and its schemes, with evidence outcomes, ought to be emphasized to circulate awareness to the public and to attain the benefits. The existing research has explicated that the impacts of Microfinance on assets and income are not important for all the regions of Bangladesh, however, its micro-credit possesses significant effects on expenditure or consumption (Ray & Mahapatra, 2019).

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

The micro-finance loan will be utilized for consumption expenditure sources. The credit holder spends the money on non-economic activities (Vassallo, Prabhu, Banerjee, & Voola, 2019). Hence at the instalment of repayment, poor credit ought to borrow the amount from various sources and hence the situation became highly complicated for the populace. Therefore, the study focuses on the performance of micro-finance programs and their impact on social development.

The present study analyses the various factors such as economic conditions, generation of income, savings, employment, health expenses and living standards before and after getting financial aid such as loans. The results of the study highlight the impact of MFIs in improving the socio-economic conditions of the beneficiaries of the MFIs. Thus, this study brings deserving attention to the MFIs in order to improve the livelihood of the poor.

1.2 Paper organization

Section 1 states the introductory concepts of research. Section 2 enumerates the review of literature studies and its gaps, Section 3 describes the research method, Section 4 illustrates the results of statistical analysis, Section 5 presents the discussion and Section 6 defines the conclusive statement of the study.

2. Review of Literature

The below section enumerates the review of different existing studies, stating the role of microfinance in different aspects to improve society and services.

The literature on microfinance, highlights the different multitude of actors, having various categories of institutional logic that provide financial services to needy and poor people. However, it has not been defined, how the logic classification is applied. The perspective of institutional logic, MFI, enunciated how the organizational actions were shaped through shared belief, delivered towards poor people and the poorest group of societies. Hence this institutional logic, being adopted by MFI generates expectations of MFI in a similar context (Atiase, Mahmood, & Wang, 2019). Conversely, in the research of Semambo Hussein Kekambo, he stated that Islamic microfinance was noted to be a panacea towards financial inaccessibility challenges between (SME) Small and medium-sized enterprises particularly in developing countries. The objective of this research relies on examining how Islamic microfinance adoption could play a vital role in enhancing MFI sustainability whilst meeting the SME financial challenges in Uganda's regions. In the Practical model, the study would serve to be a guide to those practitioners and policymakers in the microfinance field by adding flair. This would enable bridging challenges related to inadequate SME financing in the Uganda region (Kakembo, Abduh, Hj, & Salleh, 2021).

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

Owing to these challenges, Sunil Sangwana, reported the research about the assessment of loan re-payment behavior, among those Clients of MFI residing in two Eastern Indian states. The contribution of demographic characteristics, loan characteristics, economic characteristics, regional attributes, and moral hazard features of client households are examined by the researcher. The inferences in this literature reveal comprehending repayment risk under uncollateralized credit and asymmetric conditions. Tracking the loan characteristics and household attributes aids the MFI in generating certain credit risk parameters and in the formulation of credit scores (Sangwan, Nayak, & Samanta, 2020).

Similarly, Jarrod P. Vassallo explored research on hybrid organizations and determined Microfinance organizations to be an ideal hybrid representation and as quintessential social innovation. The MFI is generally administered using group-lending schemes whereas conventional bank loans were not. In coping with this, the credit provision for product purchases like solar energy systems for a house depends highly on trustworthiness supervision in comparison to formal collateral (Vassallo et al., 2019). Research by Amit demonstrates that the Indian Government reinforced the microfinance program in the SGSY system to decrease rural households' poverty. Some extension of the National Rural Employment Guarantee scheme plays the aid's role. It has been evidenced that by using Natural experiments, microfinance programs can diminish the susceptibility of rural household participation. It has been completed by constructing a susceptibility index. Social parameters (Jha, 2019) include enrichment of empowerment of the contributing independent group participants who belong to categories of women under SGSY enterprise between the apprehensive time and microcredit's size that have been grabbed for profits generating schemes (Aggarwal, Kumar, & Garg, 2020). It plays a vital role in decreasing the susceptibility of the contributing rural households in the Microfinance program. The paper (Kundu, 2010) demonstrates that the microfinance program in the SGSY system can decrease the vulnerability of involvement of rural households. Microfinance programs contribute to financial services that help poor households to create renovation from day-to-day existence to plans. Few works like the river dam's construction that ranges in NREGS support the marginal agriculturalists to perform binary cropping which plays an important role in easing their susceptibility and the scarcity of household members. NREGS (National Rural Employment Guarantee Scheme- Implementations) has been playing a significant role in diminishing the vulnerability of the country's women.

Indra's research states (Widiarto & Emrouznejad, 2015) that it suggests two-stage examinations to measure the performance of IMFIs (Islamic Microfinance Institutions) by associating with the predictable MFI's efficacy in its twofold objectives regarding financial and social efficacy. During the second phase,

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

nonparametric tests have been used to associate the performance and pinpoint elements that contribute to the efficacy of MIFs and IMFIs.

The microfinance sector has been focused largely, on providing loans to underprivileged people without the necessities such as collateral security. The majority of microfinance firms, within India, employ Self-help groups (SHG) or any (JLG) Joint liability group models of people group lending towards issue loan facilities since the pressure acts as one of the social collateral in those models. Offering micro-loans to micro-enterprises was acknowledged as a critical strategy for socio-economic progress by enhancing the livelihood of micro-finance beneficiaries and their households. The literature review aids in determining the research gaps which might be stated succinctly. At first, the investigated literature depicts that there are various researchers on micro-finance and its impacts on socio-economic progress from different global regions, based on diverse theories. However, there were no present studies, investigating the impacts of MFI in association with metropolitan regions (Bothra & Sapra). The researchers on the impacts of MFI, in Delhi areas, were more specifically scarce. In the second stage, the majority of researchers analyzed the MFI impacts commonly, wherein some of MFI had sought to determine if there prevailed any differences according to group type of beneficiary if SHG Microfinance beneficiaries or any other JLG beneficiaries. The existing study of Sapra and Bothra attempted to fill the research gaps, by investigating the micro-finance effects on socio-economic progress. The research was capable of perceiving the micro-finance impacts by particularly assessing the effects of MFI loan experience on population, micro-finance loan accessibility, and MFI group type upon the development of socio-economic status. The Microloan accessibility was proven to improve significantly the entire socioeconomic growth of beneficiaries.

Microfinance is another efficient technique that impacts the socio-economic respondent's conditions and family members, specifically for personal purposes (loan). The stability enables families to achieve livelihood, purchase nutritious food supplements, construct house purchases, land purchases, accessibility towards contemporary health care, start up new businesses, multiple cultivations, and send their children or siblings abroad for higher studies. The existing research of Mamun and Al-Amin explored the reasons for receiving micro-credit and the effects of Micro-finance upon socio-economic enrichment, based on secondary and primary data. This analysis was accomplished through in-depth interviews, and personal interviews utilizing open-ended questionnaires, arranged with micro-credit receivers from ASA, Grameen Bank, and BRAC, and field staff, at Cumilla (Bangladesh) in the year 2021. Both snowball and random sampling approaches were adopted to choose respondents (Al-Amin & Mamun, 2022). The research highlighted that MFI generates positive differences in income response, changes in family status, and

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

entire socio-economic condition, yet in certain places, few borrowers, are not able to mobilize credit appropriately, which leads to the rise of bad loans. Therefore, a few recommendations were provided to reduce loan misuse and as self-reliant.

Ozdemir, Savasan, and Ulev aimed to assess the impact of Islamic microfinance on poor households through the IKSAR Qard al-Hasan Program prevailing in Turkey (Ülev, Savaşan, & Özdemir, 2023). To attain the objectives, it investigates the differences in socio-economic beneficiaries' status before availing of MFI services and after MFI services. It also utilizes longitudinal data whilst investigating the effect of Islamic microfinance on poor population welfare.

Hence the contribution of micro-finance is prominent, wherein Tunio, Talpur, and Baghal claimed to deliberate the effect of MFI upon the socio-economic empowerment of the female population in Nepal. Financial independence, decision-making competence, and self-confidence were the dependent variables. The chosen independent variables, were entrepreneurial skills, self-efficacy, insurance services, resource accessibility, and leadership skills. The primary data source was utilized to analyze the respondent's opinions regarding micro-finance programs on socio-economic women empowerment in Nepal (Baghal, Talpur, & Tunio, 2023). The research analyses twenty-three MFI with nearly 154 respondents. To attain the study objectives, a structured questionnaire was utilized. The regression model and correlation coefficients are predicted to verify the significant impact of microfinance programs on the socio-economic empowerment of women in Nepal. The outcomes of the research evidenced that leadership skills possess positive effects on decision-making ability, financial independence, and self-confidence.

The expectations for effects have been constructed by the microfinance developers. The research helps the SSE (small-scale entrepreneurs) to overcome economic constraints and radically improve their earning opportunities. The researcher of the study claimed at minimum range, that microfinance might provide money at a low-cost interest amount compared with private financiers and reduce the level of dependency on experienced trade-lenders in surpluses extraction [House of Representatives U.S., 1986]. Therefore microfinance has optimistically assured to increase income; and improve health, education, and empowerment for women with brand-new resources. The considered study perceived finance as a tool for personal renovation, and it captures the imaginary minds of those people, who seek new kinds of economic and social change. Besides establishing the probability of new modes of economic institutions, microfinance has motivated innovations accepted in various fields like education, energy, and health. Prior efforts in fostering social investment and constructing social businesses owe their motivation to the microfinance pioneers (Cull & Morduch, 2018).

The major part of the population belongs to rural Nigeria, for the financial development of women and the growth of Nigeria with the involvement of country

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

women in financial activities at every level seems highly crucial. The microfinance banks should improve their financial role by stakeholders due to the impact on rural women and any financial policy in the future. The policies that should be adjusted respect the effect on employment, empowerment, and financial advancement of rural women. Incentives should be given to rural women to start financial activities that develop the socioeconomic circumstance, thus ensuring the improvisation in the micro-finance sector (Maureen, Pius, Maikeffi, Samuel, & Bara'atu).

Research Gaps

MFI schemes provide opportunities for women in finance, public works, and agriculture with much-required credit, and beneficiaries' participation in those activities could accelerate the growth of the economy. It also mitigates the consequences of future and present financial crises. The role of micro-finance must be strongly stated in the nooks and corners of the nation and their benefits to rural and urban livelihood. Since the inequalities in gender hinder sustainable development and economic progress, micro-finance participation and assistance to empower society are highly crucial. Typically, the MFI was found to possess positive effects on education as well as their contribution towards the emancipation of women and gender equality. The loan arrangements by MFI, then their supportive male members, confirm the socially beneficial implication of offering easeful financial services to the public specifically the female population. Certain Myriad empirical assessments concluded that those MFI programs support people's empowerment both economically and socially. These conditions can be evidenced by, bringing out the positive counterparts of Microfinance (Hassan & Saleem, 2017).

Alternatively, The MFI policy ambiguity might have crucial implications for the future credibility and client behavior of MFI. For instance, one such MFI explored that in various districts in Pakistan, the staff heard some rumors from current clients their false rumors wherein the Pakistan Government had decreed loans of Microfinance were forgiven now to be a matter of national policy. Hence there is lacking to measure out and identify this ambiguity (A. A. Khan et al., 2021).

Several other researchers exposed that MFI programs of government acquire political interference, and it stresses out the inefficiencies related to MFI intended services distribution by political interference for instance Samurdhi Micro-finance program. Other research has determined that the Janasaviya Program was always hindered by resource misallocation and political patronage (Sangjeli & Mustafa, 2019). Those phenomena ought to be addressed in any study, to spread its awareness. The recapitalization and emergency liquidity facilities should be assumed to permit MFU to forbear present loans and stand in position for expanding liquidity management products while in control of the pandemic (Czura, Englmaier, Ho, & Spantig, 2022).

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

3. Research Methodology

The present study is a quantitative approach research with empirical analysis, fed with quantitative data, about the microfinance effects in the city of Jabalpur in Madhya Pradesh. The major sampling units are the Microfinance institutions in the city and the sampling units collected as secondary units are beneficiaries of chosen MFI in this Jabalpur district. The items of samples represent the local branches of ESAF, Fusion MFI, and Credit Access Grameen. Random sampling methods have been utilized to select out MFI significant branches specifically and corresponding beneficiaries of MFI micro-credit loans. The sample size of those beneficiaries is 150 obtained from Credit Access Grameen Limited, ESAF Microfinance & investment, and Fusion Micro Finance local branches. The self-administered and semi-structured questionnaires have been utilized in secondary data collection from other sources.

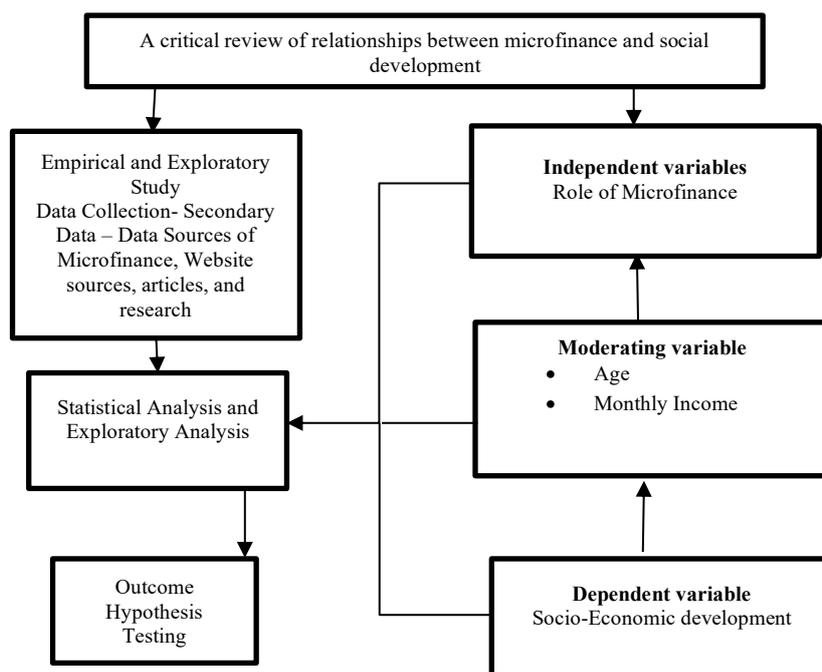


Figure 1. The research framework of the study

Source: Own processing

The Research framework as shown in Figure 1 was developed based on various independent, dependent, and moderating parameters. The empirical research propounded to elucidate the prominent role of Microfinance institutions in the socio-

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

economic status of Jabalpur city in Madhya Pradesh. The secondary data analysis is put forth to test the hypothesis of the study. Other moderating parameters that reveal the role of micro financial services. Statistical data are analyzed to test the hypothesis. The socioeconomic impacts are assessed through simple regression analysis. This study is a descriptive and empirical research study. The data has been collected randomly from secondary data sources such as articles, researchers, and website sources. The collected secondary data were utilized for statistical analysis through the IBM SPSS software package. The hypothesis has been tested based on the objectives of the study.

The following are the research hypotheses framed for the study.

H1: There is a significant impact of microfinance services on the savings, income generation, living standard, and employment generation of the beneficiaries.

H2: There is a significant association between monthly income and age characteristics of beneficiaries in MFI with economic and social development.

The common goal of the research is to analyze the effects of micro-finance programs on beneficiaries of Jabalpur (Madhya Pradesh). The peculiar objectives are stated below

- To explicate the demographic characteristics of Microfinance program beneficiaries.
- To assess the significance and impacts of MFI programs on beneficiaries' social and economic conditions in terms of employment generation, savings, and income.
- To analyze the significance and impact of MFI programs on the social status of beneficiaries through decision-making, living standards, and expenditure.

The study relies on Secondary data. The sample comprises around 150 beneficiaries of the chosen MFI, selected from the local branches in Madhya Pradesh from the period of 1st February 2022 to October 30. Data collection is the tool used to gather information from the respondents based on a specific subject that is taken for research.

Data were collected from 2022 February to October 2022 in the local MFI branches of Credit Access Grameen Limited, ESAF Microfinance & investment, and Fusion Micro Finance. Undisguised, standardized research instruments were framed on secondary data based on five points on a Likert scale having a rating scale such as 1, 2, 3, 4, and 5 denoting strongly disagree, disagree, neutral, agree, and strongly agree, respectively. This scale is utilized for measuring the socio-economic status of the beneficiaries in the MFI local branches. The respondents of the study are the general beneficiaries, taken for survey assessment. The Microfinancial services information

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

gained by beneficiaries is collected as the secondary data in the study. Other statistical outcomes are collected from the other MFI websites as well. The statistical assessment employed on secondary data draws out conclusions and inferences by using (the SPSS) statistical package for social sciences. The respondents were assessed twice by the research objectives, the prior period before they took up the facilities of Microfinance and the post period after they availed the services of Microfinance, such as loan facilities, credit expenses, finance availability for business start-up of the privileged people or the population availing for their financial stability for their societal and economic status.

By adopting a random sampling strategy, the total data gathered from the selected participants is 150. After collecting the data, it is fed as different variables and assessed through the tool called SPSS to accomplish the aim of the research. Thus, the valuable respondents for the survey were 150 which were filtered using random sampling methods for their perceptions, regarding the benefits availed by the participants, and challenges faced by the population during the accessibility of micro-finance services. Similarly the socio-economic factors before availing of the MFI services as well as after the MFI services were analysed using a semi-structured questionnaire.

The samples of the research constitute the general public who require as well as attain MFI services. The technique used to fetch out the responses is the random sampling technique. The random sampling technique is defined as a sampling process that allows for randomization in the selection of samples. Every sample possesses the same probability as other research samples to be chosen serving as a representation of the whole population. For assessing data from participants, who have not acquired MFI services, a random sampling technique is proceeded.

The research instrument has been denoted as a tool that has been utilized to measure, analyze, and collect data based on the proposed research interests. These tools have been frequently utilized in the education, social sciences, and health sciences sectors to examine the students, clients, and patients. The proposed research has used a semi-structured questionnaire retrieved from primary data sources. This tool of semi-structured questionnaires with closed-ended questions has a fixed level of responses to every question.

The secondary data sources employ a standard structured questionnaire as the research instrument for the study. The research assesses the demographic profile of beneficiaries and the impact of MFI programs on beneficiaries' economic conditions and social status. The statistical assessment employed on secondary data draws out conclusions and inferences by using (the SPSS) statistical package for social sciences.

Quantitative research analysis (Jung, 2019) is determined as a systematic phenomenon by collecting data and executing mathematical, statistical, and

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

computational methods. The quantitative method fetches data from conventional and prospective customers utilizing sampling techniques and providing online research, polls, and surveys, the results are determined in numerical terms. After careful interpretation, these numerals are used to predict or evaluate the future of the research and make the necessary changes.

With the support of a framed questionnaire, the data are collected from the particular sample respondents, and quantitative methodology is utilized for the data analysis. The data will be recorded using an Excel sheet to reveal the variables. The software tool SPSS is used for the subsequent estimation stage to analyze the variables entered in Microsoft Excel. The outcomes are estimated using five evaluation approaches. The statistical assessment is explicated through exploratory data analysis, regression test, and ANOVA test. ANOVA is a statistical tool and it is used to find the difference between the means of two independent collections by the analysts. Frequency distributions are defined as the visual displays that form frequency counts and this helps the information be concluded simply.

The implications are performed based on the results of the study and further enhancement is suggested for the implementation of the research in the future. The usage of SPSS software in this research makes the results to be effective and consistent in counting the values. The collected data was enumerated with the usage of Excel and SPSS software. Regression and ANOVA are accomplished to evaluate the organized hypothesis. The data estimation comprises 3 levels namely,

- Microsoft Excel is used to incline the demographic variables, and the design of frequency distribution is done.
- To list the data that are analyzed by statistics to predict the median range, and the mean standard deviation of several variables in this research is a significant step. Hence SPSS software is employed in this research.
- Regression, ANOVA, and Correlation evaluation are employed to evaluate the research hypothesis.

Certain ethics will be followed while conducting the research analysis. As the study is based on the individual perceptions of women regarding online flaming behavior, causes, prevention, mitigation ways, the role of online platforms, and their psychological effects it poses, the research deals with highly confidentiality-based responses. The following ethics are followed:

- Before the researcher's survey assessment, information is passed to the respondents in the prior stage.
- The respondents are not forced by any means to give their responses. Only willing respondents are selected for the survey analysis.
- Only the responses to the questionnaire are asked of the respondents, their private reports or data are not forced to be exposed by them.

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

- Since the research study uses only original data for data analysis, it doesn't contain any false data.
- All the data organized and gathered would be kept highly confidential.

These are the ethical considerations used by the researcher for the research analysis, which are accurate to their knowledge based upon this research study.

4. Results and Discussion

This section presents the results and the related discussions of the collected secondary data. The demographic details and impact of MFI on the economic and social conditions of the beneficiaries are presented below.

4.1 Beneficiaries' Demographic Details

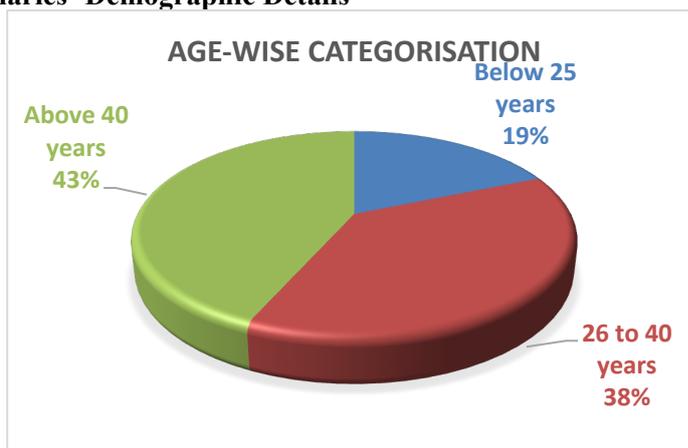


Figure 2. Age Distribution
 Source: Own processing

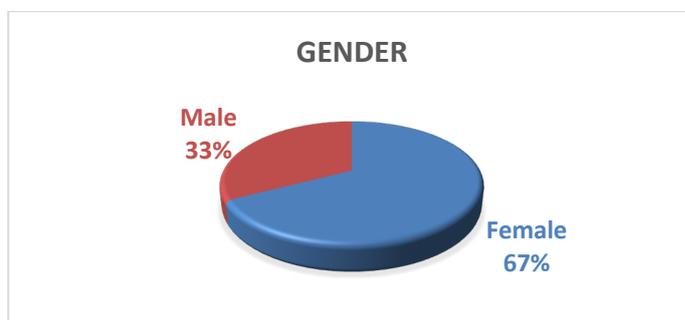


Figure 3. Gender Distribution
 Source: Own processing



Figure 4. Membership Age

Source: Own processing

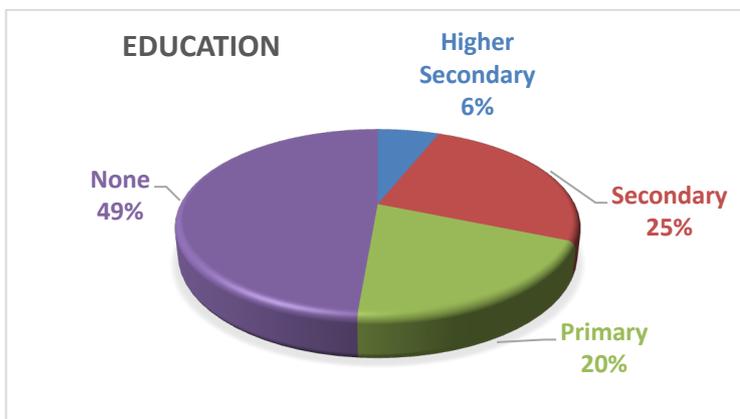


Figure 5. Educational Details

Source: Own processing

The above figures 2, 3, 4, and 5 show that 43% of the beneficiaries are above 40 years of age and 67% of the beneficiaries are female while it can be seen that 38% of the beneficiaries are around 26 to 40 years of age. It is also evident that 25% of the beneficiaries possess an educational qualification of below secondary education with more population having no education background, are in a situation of availing MFI services. Also, only a meager proportion of 6% of the beneficiaries have completed higher secondary education. While the membership age details show that 83% of the beneficiaries have a membership of 5 years and above with the MFIs. These inferences imply that the female population possesses more interest in MFI,

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

to avail the benefits for livelihood uplift. The population who are more than 40 years of age, with more experience and demands and commitment in life pose their opinion to opt towards MFI services, implied by 43% of respondents' target population.

4.2 Impacts of the Microfinance Programs on the Beneficiaries' Economic Conditions

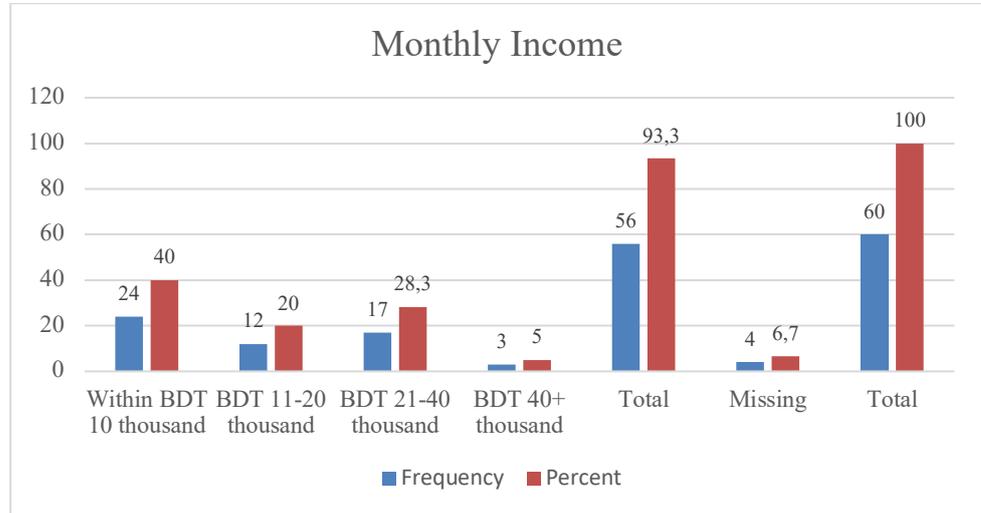


Figure 6. Monthly Income of the Beneficiaries
 Source: Own processing

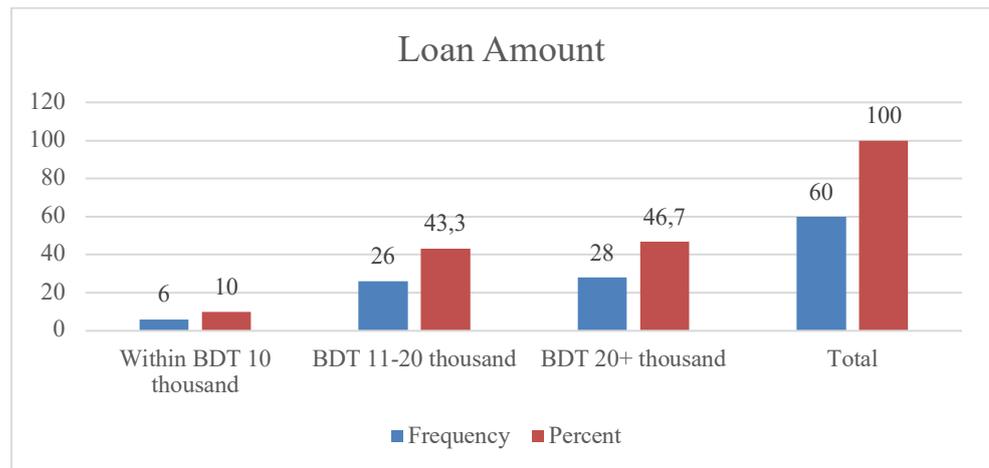


Figure 7. Amount of Loan Received by the Beneficiaries
 Source: Own processing

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

From the above figure 6, it can be seen that the majority of the beneficiaries have a monthly income of less than BDT 10,000. Figure 7 depicts the loan amounts granted to the beneficiaries by the MFIs. It can be observed that more than 90% of the beneficiaries received an amount greater than BDT 10,000. The economic conditions and societal impacts of the population by the services of MFI were calculated for 100 respondents, by the excluded population of the control group, who have not yet availed of the MFI services.

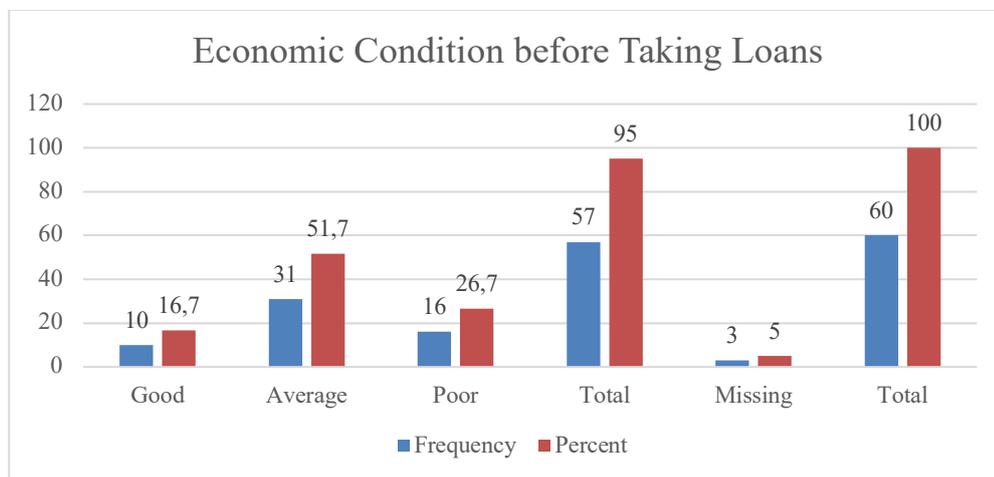


Figure 8. Economic Conditions before availing loans
 Source: Own processing

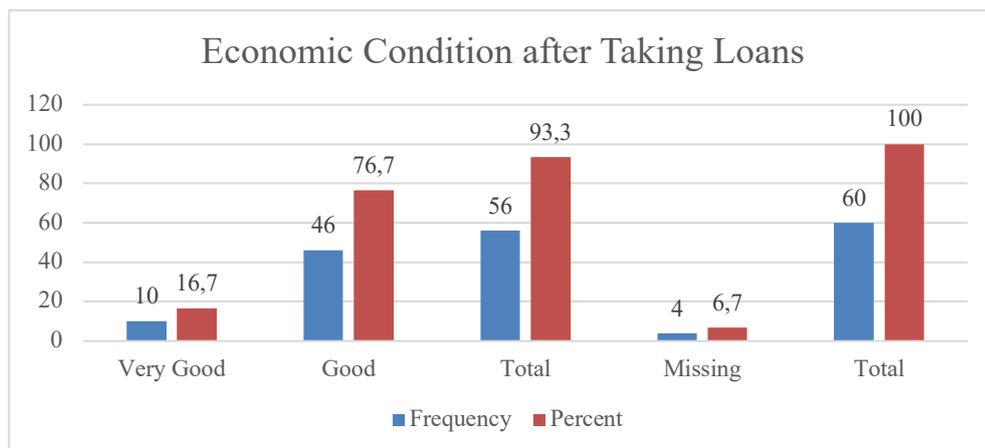


Figure 9. Economic Conditions after availing loans
 Source: Own processing

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

Figures 8 and 9 show the beneficiaries' economic conditions before availing of loans and after receiving them. It can be noticed that the count of beneficiaries in good economic condition increased and 10 of them have moved from good economic condition to very good condition. Hence this shows that Microfinance programs have a constructive impact on economic conditions.

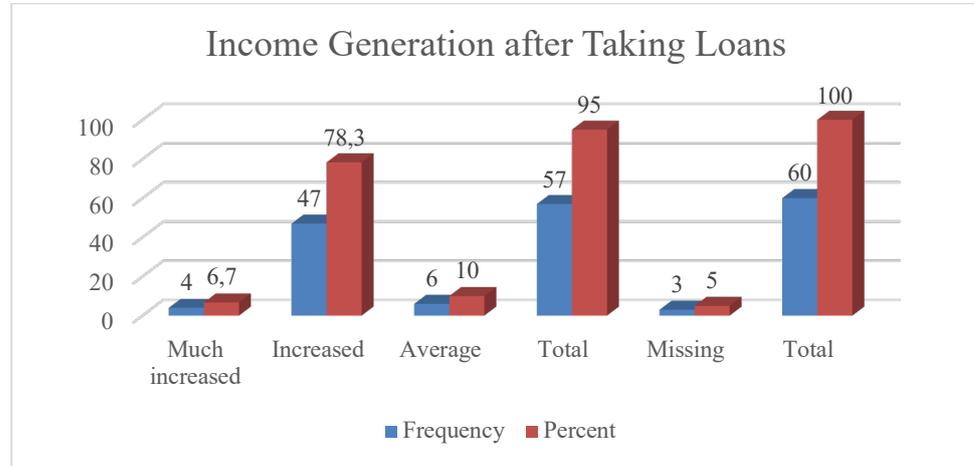


Figure 10. Generation of income after loan
 Source: Own processing

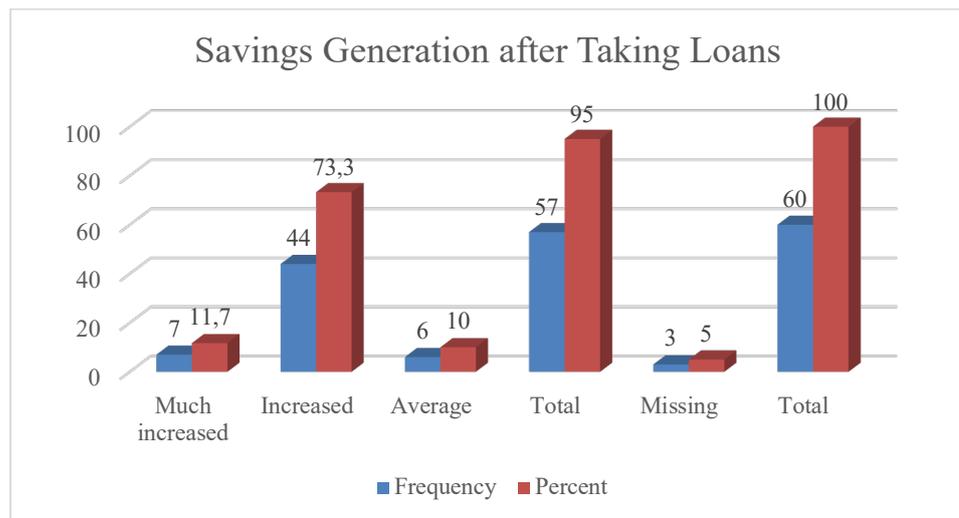


Figure 11. Generation of savings after loan
 Source: Own processing

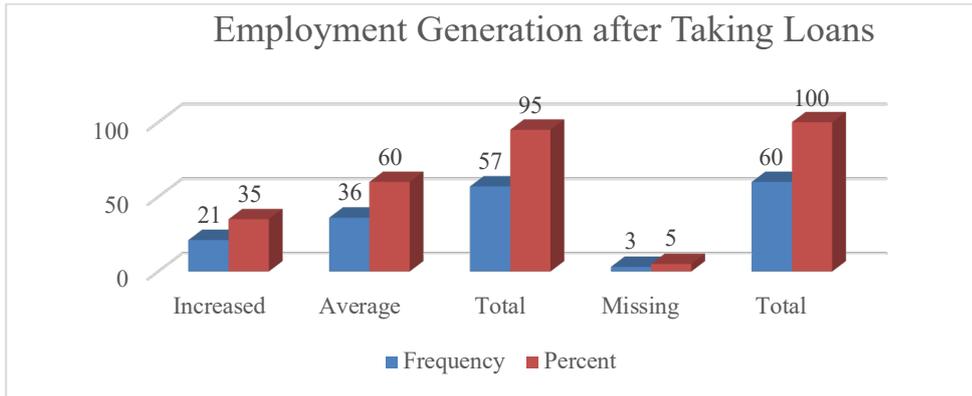


Figure 12. Generation of Employment after Loan
 Source: Own processing

The above figures 8, 9, 10, 11, and 12 depict that the level of income and savings significantly increased with the microfinance programs. The savings and income have been found to increase to 85.6% and 89.5% respectively. While figure 8 shows that almost 35% of the beneficiaries' employment chances have surged.

4.3 Impacts of the Microfinance programs on the Beneficiaries' Social condition

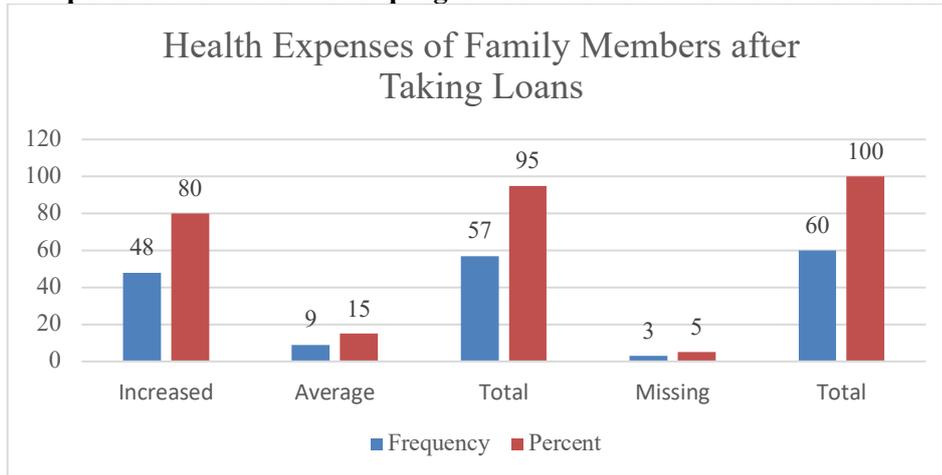


Figure 13. Health Expenses after Loan
 Source: Own processing

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

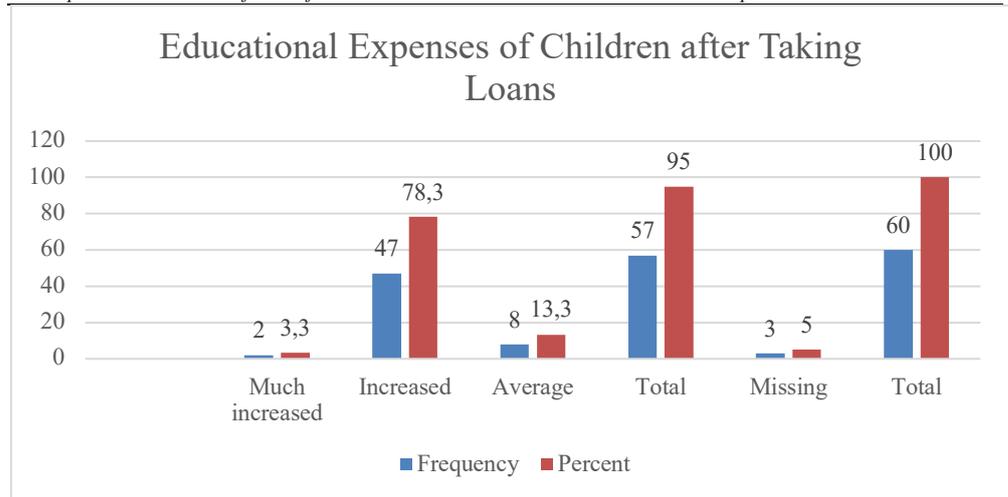


Figure 14. Educational Expenses after Loan
 Source: Own processing

The above figures 13 and 14 show that health, as well as educational expenses, increased, which means that the solvency has grown and an upsurge in the expenditure paves the way to better living standards.

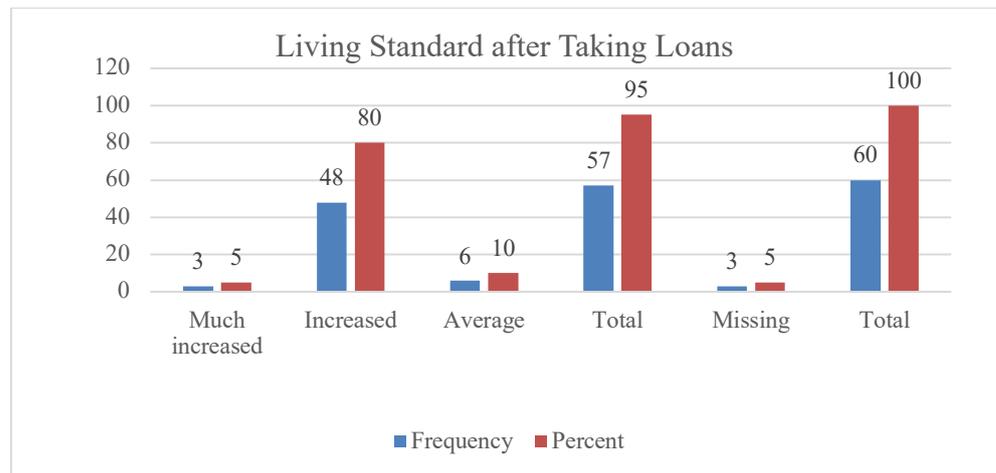


Figure 15. Living Standards after Loan
 Source: Own processing

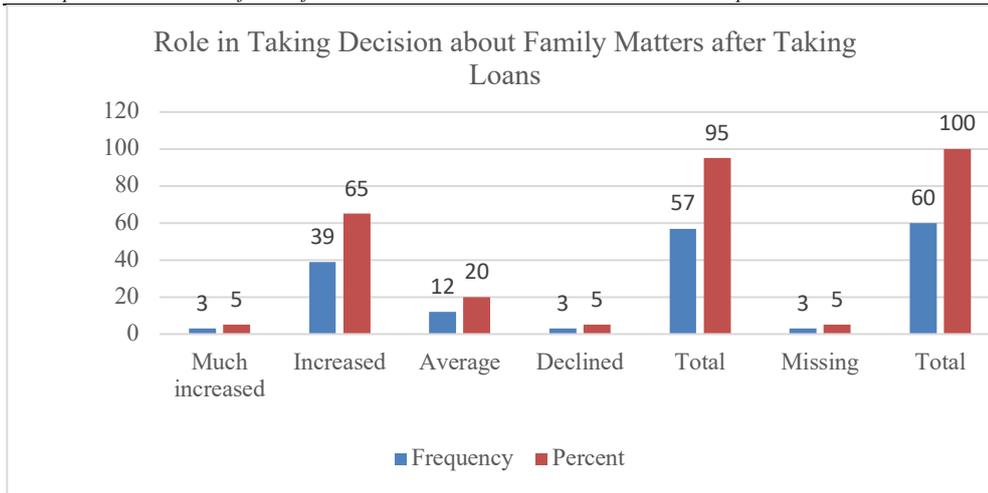


Figure 16. Decision taking after loan
 Source: Own processing

The above figures 13-16 show that almost 89.5% of the beneficiaries' living standards have been increased with the microfinance programs and figure 16 shows that the beneficiaries' role in decision-making has momentarily increased to 73.7%. It resulted in the elevation of saving and expenditure as the microfinance programs have the ability to generate income. The microfinance service holders get the opportunity to spend more for their children than before. In addition to this, the expenses for health are also found to be increased but the decision-making has marginally increased.

4.4 Analysing Socio-Economic Impact by Simple Linear Regression Analysis

The models that are utilized to analyze the socio-economic microfinance impacts are stated below.

- IGV = $\alpha + \beta.MA$ -- (1)
- SGV = $\alpha + \beta.MA$ -- (2)
- ECV = $\alpha + \beta.MA$ -- (3)
- SGV = $\alpha + \beta.IG$ -- (4)
- CEV = $\alpha + \beta.IG$ -- (5)
- LSV = $\alpha + \beta.IG$ -- (6)
- LS = $\alpha + \beta.MI$ -- (7)

Wherein α represents the constant, β denotes the independent variables co-efficient, the Income generation variable is denoted by IGV, the Economic-condition variable

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

is represented by ECV, MI implies Monthly-income, age of membership pointed by MA, CEV represents the employment creation variable, living standard variable denoted by LSV and savings generation represented by SVG.

IGV – Income generation variable - There is an increment of profit in income after the intervention of Microfinance, by organizing your own business.

CEV - Creation of employment – The loan facility available through MFI allows you to commence new business in your locality providing better employment.

Monthly Income- MI – Does it result in an increment of the monthly income, in comparison to the previous period before 2 to 3 months?

MA – Membership age – There is a consideration in the membership age have you come forward to invest in Microfinance Investment or loan availability for your business?

LSV- Living standard variable - The living standards of the people in terms of income generation in the business, daily wage profit, and societal perception of you and your family have been improvised.

SGV- Savings generation variable – The family savings for your personal needs and the family expenses are improvised after the financial stability through microfinance facilities.

Table 1. Co-efficient Table

Models	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.326	.263		5.016	.000
	MA	.260	.094	.345	2.733	.007
	(DV)Dependent-Variable: IGV					
2	(Constant)	.472	.245		1.921	.050
	MA	.554	.088	.644	6.253	.000
	Dependent Variable: SGV					
3	(Constant)	.706	.205		3.438	.001
	MA	.410	.073	.598	5.542	.001
	Dependent Variable: EC					
4	(Constant)	.540	.250		2.151	.034
	IGV	.707	.120	.621	5.853	.000
	Dependent Variable: SGV					
5	(Constant)	1.660	.294		5.631	.001
	IG	.476	.141	.412	3.360	.001
	Dependent Variable: CEV					
6	(Constant)	1.458	.250		5.804	.000
	IG	.291	.120	.308	2.408	.016
	Dependent Variable: LSV					

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

7	(Constant)	1.8 14	.120		14.952	.002
	MI	.124	.055	.296	2.222	.030
Dependent Variable: LS						

Source: Own processing

Tables 1, 2, and 3 describe the coefficients of the study's independent variables, the Model summaries table, and the analysis of variances table, which are found significant. In the first, second, and third models, it has been depicted that more membership age in MFI, in parallel there occurs more probability for income generation, better economic, and more savings generation. The fourth, fifth, and sixth models, revealed that the MFI income generation variable resulted in high employment creation, more savings, and better standards of beneficiaries living. The seventh model enumerated that if there is a high monthly income, there will be a better living standard.

In an elaborative manner, the models defined that if the beneficiary's age from MFI is increased by 1 percent, then there will be an increase of income generation by 26 percent, a 56% increase observed in savings. Similarly, there will be better economic conditions as well, with an increase of 41 percent. Likewise, if there is a maximization of income generation by 1%, there will be a simultaneous increase in employment creation (48%), an increase in savings generation (71%), and paves to better living standards to a 29% increase than the previous one. If the parameter monthly income increases by 1%, then the living standards of the beneficiary would be better by comparing to the prior stage by 13 percentage.

Table 2. Model-Summary

Models	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.345	.121	.103	.398	.121	7.476	1	55	.007
Predictors: (Constant), MA, Dependent Variable: IG									
2	.644	.415	.404	.370	.415	39.110	1	55	.000
Predictors: (Constant), MA, Dependent Variable: SG									
3	.598	.357	.346	.311	.357	30.721	1	55	.002
Predictors: (Constant), MA, Dependent Variable: EC									
4	.621	.383	.372	.380	.384	34.273	1	55	.001
Predictors: (Constant), IG, Dependent Variable: SG									
5	.412	.171	.154	.446	.171	11.293	1	55	.001
Predictors: (Constant), IG, Dependent Variable: CE									
6	.308	.094	.078	.380	.094	5.802	1	55	.018
Predictors: (Constant), IG, Dependent Variable: LS									

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

7	.296	.087	.071	.396	.087	4.941	1	51	.032
Predictors: (Constant), MI, Dependent Variable: LS									

Source: Own processing

From inference of the above table, it could be depicted that the p-value of t-statistics, for all the independent-variable, co-efficient was less than 0.05, which implies that all independent variables of the study possess a significant effect on the dependent variables, of corresponding respective models.

Table 3. ANOVA Table

Models		Sum of Squares	df	Mean-Square	F-Value	Sig.
1	Regression	1.187	1	1.187	7.476	.007
	Residual	8.742	55	.158		
	Total	9.931	56			
(DV)Dependent Variable: IG, Predictors: (Constant), MA						
2	Regression	5.394	1	5.394	39.110	.000
	Residual	7.586	55	.137		
	Total	12.981	56			
DV: SG, Predictors: (Constant), MA						
3	Regression	2.954	1	2.954	30.721	.000
	Residual	5.290	55	.095		
	Total	8.245	56			
DV: EC, Predictors: (Constant), MA						
4	Regression	4.983	1	4.983	34.273	.000
	Residual	7.997	55	.144		
	Total	12.981	56			
DVe: SG, Predictors: (Constant), IG						
5	Regression	2.261	1	2.261	11.293	.001
	Residual	11.003	55	.201		
	Total	13.262	56			
DV: CE, Predictors: (Constant), IG						
6	Regression	.843	1	.843	5.802	.014
	Residual	7.997	55	.144		
	Total	8.841	56			
DV: LS, Predictors: (Constant), IG						
7	Regression	.781	1	.781	4.941	.033
	Residual	8.051	51	.157		
	Total	8.831	52			
DV: LS, Predictors: (Constant), MI						

Source: Own processing

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

Tables 2 and 3 define the model's fitness test. It is implied from the ANOVA table in Table 3, that the F-statistics p-value for all the models is less than 0.05. This low significance value indicates that all the models were significant at a 5 percent significance level.

From the outcomes of the models, it is seen that the programs of MFI were playing a significant role in savings generation and income that are statistically significant. Hence, it reveals the social impact of MFI on the beneficiaries. The results, clearly show that holders of Microfinance services could see a gradual increase in their living standards day by day. The MFI programs, aid in generating more and more employment opportunities, and hence the expansion of better economic conditions emerges significantly. These MFI were offering training programs for those service-holders as well as various other financial services except lending activities such as financing, to open DPS accounts for micro-enterprise development it offers educational loans, life-insurance programs, scholarships, and better medical and health facilities.

The results of this study are comparable with the previous studies (Shafique & Khan, 2020), (Roy & Mohanty, 2020), (Al-Amin & Mamun, 2022) and (T. A. Khan, Khan, Violinda, Aasir, & Jian, 2020). The study (Shafique & Khan, 2020) proves that the micro-credit providing schemes have improved the socio-economic conditions of small agriculturists in Pakistan. The study (Roy & Mohanty, 2020) proves that MFIs can improve the educational attainment, life expectancy, and ability of income generation in India. The study (Al-Amin & Mamun, 2022) has proved the impact of MFIs in improving the living status of the beneficiaries in Balunnagar, Bangladesh. The study (T. A. Khan et al., 2020) reveals the potential of MFIs for transforming women entrepreneurs to be financially stable in society.

5. Conclusions

With the popularity of Microfinance, it had traversed an empirical study with a quantitative approach and exposed it as one of the prominent instruments in enhancing the socio-economic development of the people. Analysis of quantitative information from the MFI of Jabalpur led to a significant conclusion for comprehending the social and economic development of beneficiaries through their MFI services. As per the statistical outcomes, microfinance programs have significant and prominent impacts among the beneficiaries of MFI services, to alleviate poverty and in the generation of savings and income. MFI programs support promoting employment to a certain extent, in Jabalpur district in Madhya Pradesh, yet it is not still a satisfactory approach. The consumptions and savings of MFI service-holders who are all the beneficiaries of Fusion MFI, Credit Access Grameen, and ESAF MFI, tend to increase and they attain better living standards. Hence, the Microfinance programs, ought to be accelerated more, to attain social development

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

outcomes, and to uplift the economic status of the service-holders. Above all, with the esteemed role of Microfinance services to unprivileged people, poverty eradication could be accomplished in developing countries, promoting their social standards. The study implication states that Microfinance programs play a vital contribution to enhancing the socio-economic condition of the beneficiaries. The results insist that the government should frame necessary policies, and encourage poor people to utilize micro-finance services. There prevails a distinctive opportunity to organize large-scale research in this field with appropriate resources and time, wherein determines a pathway to explore more financial backing schemes by Micro-finance institutions and the Government as well.

Though this study provides valuable insights into the impact of MFIs in improving the socioeconomic status of the beneficiaries, this study has certain limitations. This study has considered less number of respondents. This may reduce the dependability of the results. This study results are associated with the specific location of Jabalpur (Madhya Pradesh). This renders the generalized comparability of the results with other geographic locations. Future studies should be conducted with a larger study population and broader geographical location to overcome the limitations of this study.

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Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

Appendix

Questionnaire

1. Name of the respondent (Optional):
2. Please mention your Locality: Rural urban Semi Urban
3. Age in years:
 - Below 25 Years
 - 26 to 40 years
 - Above 40 years
4. Gender Male Female
5. Marital status: Married Single
6. Education: Higher Secondary Secondary Primary None
7. Membership age: Below 2 years 2 to 5 years More than 5 years

I. Rate the below factors as per your personal opinion

8. There is an increment of profit in income after the intervention of Microfinance, by organising your own business?	<input type="checkbox"/> Strongly Agree <input type="checkbox"/> Agree <input type="checkbox"/> Neutral <input type="checkbox"/> Disagree <input type="checkbox"/> Strongly disagree
9. The loan facility available through MFI allows you to commence new business in your locality providing Better employment.	<input type="checkbox"/> Strongly Agree <input type="checkbox"/> Agree <input type="checkbox"/> Neutral <input type="checkbox"/> Disagree <input type="checkbox"/> Strongly disagree
10. Does there arise an increment in the monthly income, in comparison to the previous period before 2 to 3 months?	<input type="checkbox"/> Strongly Agree <input type="checkbox"/> Agree <input type="checkbox"/> Neutral <input type="checkbox"/> Disagree <input type="checkbox"/> Strongly disagree
11. There is a consideration in the membership age if you come forward to invest in Microfinance Investment or loan availability for your business.	<input type="checkbox"/> Strongly Agree <input type="checkbox"/> Agree <input type="checkbox"/> Neutral <input type="checkbox"/> Disagree <input type="checkbox"/> Strongly disagree

Goel V., (2024)

An Empirical Assessment of Microfinance and its Associated Socio-economic Development

12. The living standards of the people in terms of income generation in business, daily wage profit and societal perception of you and family have been improvised.	<input type="checkbox"/> Strongly Agree <input type="checkbox"/> Agree <input type="checkbox"/> Neutral <input type="checkbox"/> Disagree <input type="checkbox"/> Strongly disagree
13. The family savings for your personal needs and the family expenses, are improvised after the financial stability through microfinance facilities.	<input type="checkbox"/> Strongly Agree <input type="checkbox"/> Agree <input type="checkbox"/> Neutral <input type="checkbox"/> Disagree <input type="checkbox"/> Strongly disagree

IMPACT OF MICROFINANCE SERVICES

a) Before Membership

Year	Purpose (Specify IGA/Consumption Purpose)	Amount of Loan taken	Sources of taking a loan (i.e. Bank, SHG, Moneylender, relatives)	Interest paid (%)	Duration / Period	Status of Repayment	Remarks (problems faced)

b) After Membership

Year	Purpose of Loan	Amount of Loan taken	Sources of taking Loan (i.e. Bank, SHG, Moneylender)	Interest paid (%)	Duration / Period	Status of Repayment	Assistance in the form of subsidy / Grand received under	Did you get training for starting

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			der, relatives				the program me	ng the IGA?

15. BENEFITS DERIVED BY YOU THROUGH MICROFINANCE PROJECT INTERVENTION

S.NO	Attribute of Assessment	Answers (Yes, No)
1	Increase in Knowledge & Social Awareness	
2	Increase in Self-confidence	
3	Development of IGA Skills	
4	Improvement of Communication Skills	
5	Improvement in decision-making Capacity	
6	Increased awareness of health	
7	Increase in the ability to face problems	
8	Increased awareness about Microfinance	

[Indicate level by indicating 1 – No change, 2-Better, 3-Significantly better.]

INCOME OF HOUSEHOLD

Sources of Income	Net Income in rupees (Annual / Monthly)		Specify new IGA started after project intervention
	Before Membership	After Membership	
Farm (Agri. & Agri.- Allied activities)			
Non-farm (Other business)			
Labor work			
Other income			
Total			

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SAVINGS

S.No.	Mode of Savings (Banks/PO/SHG/ Chit Fund etc.)	Amount	
		Before Membership	After Membership

16. Problems and Suggestions Problems: (Tick the Answers)

Organizational problems

1. Lack of encouragement to IGAs
2. Politicization of the programme
3. Drop-out of members
4. Lack of cooperation and unity among members
5. Poor monitoring and follow-up action
6. Any other

Financial problems

1. Insufficient financial help and subsidy
2. Inadequate loan
3. High interest rate on loan
4. Loan not received in time
5. Low-income generation from IGA
6. Overdue of debts

Production problems

1. Inadequate production
2. Difficulty in getting raw materials
3. Lack of training
4. High cost of production

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Marketing problems

1. Lack of market information
2. Inadequate transportation facilities
3. Competition-3, Involvement of middlemen
4. Lack of demand for the product manufactured

Other Problems _____

Suggestions: _____

Place:

Date: *Thanks for your cooperation...*