

Impact of NABARD's Social Banking in Gujarat-An Assessment of Microfinance in Gujarat

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Abstract

It was in this cheerless background that the MF revolution occurred worldwide. In India began in the 1980s with the formation of pockets of informal self-help groups (SHGs) engaging in micro activities financed by M.F. But India's first micro finance institution ShriMahilaSewaShahkari Bank was set up as an urban co-operative bank by the self-employed woman's association (SEWA) soon after the group (founder Ms. Ela Bhatt) was formed in 1974. The first official effort materialized under the direction of NABARD. The Mysore resettlement and development agency sponsored project on saving and credit management of SHGs was partially financed by NABARD 1986-87. Basically the MFIs in India of three categories (i) Next for profile MFIs, which include the WGO, (ii) mutual benefit MFIs, which include mutually aided co-operative credit and (iii) for profit MFIs which include the non-banking financial companies. In this paper I have tried to evaluate functions of NABARD, other MFIs, and SHGs in state of Gujarat, and identify their impact on microfinance beneficiaries.

Keywords: *Microfinance, Impact Assessment, NABAR, Gujarat*

Introduction

The National Bank of Agriculture and Rural Development (NABARD) has emerged as an apex refinancing institution for agricultural and rural credit in the country since July, 1982. It has taken over the refinancing functions from the Reserve Bank of India with respect of State Cooperative Banks and Regional Rural Banks. It has also taken over the ARDC (Agricultural Refinance and Development Corporation), and now it provides all types of production and investment credit to agriculture, small-scale industries, artisans, cottage and village industries, handicrafts and other allied economic activities. It has links with RBI by virtue of the latter holding 50 per cent of its share capital and the three members of the RBI's Central Board being appointed as directors of NABARD.

Under Section 21 of the Act, establishing the NABARD, the NABARD has to provide refinance assistance to the State Cooperative Banks (Apex Banks), the Regional Rural Banks or any other financial institutions approved by the RBI. The NABARD has a dual role to play

as - an apex institution and as a refinance institution. It has inherited its apex role from RBI i.e. it is performing all the functions performed by RBI with regard to agricultural and rural credit. At the same time, the NABARD is performing the function of providing refinance facilities to all the banks and financial institutions lending to agricultural and rural development.

Besides the refinance operations, NABARD is also engaged mainly in coordinating and developmental activities for the promotion of agriculture and rural development. Being an apex institution, NABARD is responsible for fostering a healthy growth of rural credit and the institutions dispensing it. Keeping this in view, the NABARD has undertaken a number of measures since its inception, such as, strengthening and rehabilitation of cooperative credit institutions and RRB's (Regional Rural Banks), improving the rural credit activities of commercial banks, measures for improving the recovery performance of financing institutions,

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inspection of banks, monitoring and evaluation and training and extension support, etc.

Table: Purpose wise Refinance Distribution growth in 10 Years (2002-03 to 2011-12) in State of Gujarat

(Amt. Rs. In Lakhs)

Year	2002-03	2011-12	Growth	Growth %
Purpose				
MI	3052	7522	4470	147
NSPIII			0	0
MAP			0	0
REC			0	0
LD	515	2159	1644	320
FM	7148	22959	15811	222
DLF	17		-17	-100
PH	127	3435	3308	2605
DD	13761	6118	-7643	-56
MF			0	0
IF	1	3	2	200
BWPC	0		0	0
SGMY	1055	4632	3577	340
FOR			0	0
BG			0	0
PF	24		-24	-100
SGP	1		-1	-100
AH-oth	47		-47	-100
SGSY (FS)	427		-427	-100
SGSY (ISB)	133		-133	-100
SC/ST-FS	24		-24	-100
SC/ST NFS	187		-187	-100
NFS	3281	37260	33979	1036
OTH	6337		-6337	-100
SHG	119		-119	-100
Total	36256	84089	47833	132

Source: NABARD Annual Reports

In a decade 132% growth observed in refinances distribution by NABARD in state of Gujarat.

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The remarkable growth observed in Minor Irrigation, Land Development, Farm Mechanism, Plantation & Horticulture, and Nonfarm Sector.

Literature Review

Mishra (1994) analyzes crop insurance in Gujarat and finds that the availability of crop insurance resulted in increased loan repayments in absolute terms, although it is not clear if the propensity to repay improved. Additionally, Mishra documents a significant increase in the flow of credit to insured farmers after the introduction of the insurance program. Our overview of issues related to microfinance products and services would not be complete without brief discussion of integrative approaches—integrating non-financial services (usually education) with financial services—to microfinance. A handful of articles have examined integration of microfinance with other development services.

Gonzalez (2007) analyzes whether changes in domestic GNI per capita significantly affect MFI portfolio risk, measured by four indicators: Portfolio at Risk over 30 days, Portfolio at Risk over 90 days, Loan loss Rate, and Write-off Ratio. His sample contains 639 MFIs in 88 countries for the period 1999-2006. By using fixed and random effects panel regressions, in which he controls for several variables that may affect portfolio risk, the study shows that only with respect to Portfolio at Risk over 30 days there exists a statistically significant relationship between changes in GNI per capita and portfolio risk of MFIs. Regarding the other three indicators for portfolio risk, he finds no evidence for a relationship between MFI asset quality and changes in GNI per capita, suggesting that microfinance portfolios have high resilience to macroeconomic shocks. His study, therefore, provides some evidence that microfinance may provide attractive opportunities for portfolio diversification.

Krauss and Walter (2008) examine whether microfinance shows low correlation with international and domestic market performance measures. Their dataset contains annual data for the period 1998-2006. In total, they consider 325

MFIs based in 66 emerging market countries. They use fixed-effects panel regressions to examine the relationship of MFI returns, measured by five key financial variables (return on equity, profit margin, change in total assets, change in gross loan portfolio and loan portfolio at risk), to global market risk – measured by the S&P 500, Morgan Stanley Capital International (MSCI) world, and MSCI Emerging Markets indexes – and domestic market risk, measured by domestic GDP.

Krauss and Walter (2008) also perform regressions for a sample containing MFIs and emerging market institutions (EMIs), and MFIs and emerging market commercial banks (EMCBs). These regressions aim to show whether MFIs show lower or higher correlations with domestic and global market risk than EMIs or EMCBs. Their analysis shows that MFIs are not correlated with global market movements, whereas MFIs are significantly correlated with the domestic macro economy. Relative to EMIs and EMCBs, MFIs seem to be more detached from global capital markets. However, concerning the domestic markets, MFIs and the two benchmarks have comparable correlations. This leads Krauss and Walter (2008) to conclude that “MFIs may have useful diversification value for international portfolio investors away from country risk exposures. For emerging market domestic investors, who may have this ability to a much more limited extent, domestic microfinance investments do not seem to provide significant portfolio diversification advantages”

Objectives of Research

This study aims at measuring the growth of microfinance in Gujarat and examining the Role of the NABARD in state of Gujarat. The basic objectives are as follows:

- (i) To identify Microfinance Needs and Concepts in Gujarat.
- (ii) To evaluate microfinance functions of various microfinance institutions and Self-help Groups of Gujarat which runs with help of NABARD
- (iii) To analyze refinance operations and role of NABARD in state of Gujarat for microfinance to weaker section.

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- (iv) To find out impact of microfinance Institutions in state of Gujarat.

Hypothesis

H.1 In Gujarat Microfinance the concept of Microfinance has not so developed as developed in state of Andhra Pradesh.

H.2 Due to NABARD people of Gujarat benefited.

H.3 Need of finance for poor people in Gujarat is required to be identified and properly addressed.

H.4 There is a greater scope for Microfinance market in Gujarat if proper model is established.

Research Methodology

Research Problem: To study and evaluate need of microfinance among weaker section of Gujarat, and to study Role of NABARD in microfinance in Gujarat. And suggest appropriate model for commercial success of Microfinance Industry.

Research Approach: The research is aimed at study overall Role and refinance disbursements by NABARD in state of Gujarat in last Ten years, during the period of 2002-03 to 2011-12. Over all purpose-wise and agency-wise disbursements were studied.

Research Plan: The sources of data were primary data and secondary data. Secondary data

were collected from annual reports of NABARD and other Micro Finance Institutions operating in state of Gujarat. A structured questionnaire is prepared to collect primary data. Survey covered total 1000 respondents form all over Gujarat. The aim of survey is to identify impact of Microfinance on beneficiaries of microfinance.

Survey Results

The region of Gujarat has nourished various tribal cultures since the earliest periods of history, and it is the women from these cultures who have helped relieve the monotony of the region's arid landscapes with their colorful handicrafts.

A structured questionnaire is prepared to collect primary data. Survey covered total 1000 respondents form all over Gujarat. The aim of survey is to identify impact of Microfinance on beneficiaries of microfinance. This questioner is divided in three parts:

- Personal Information (Table 1 to 8)
- Experience of Microfinance (Table 9 to 28)
- Impact of Microfinance (Table 29 to 42)

Responses and results of the survey are as follows:

Table 1: Area of Respondents

Area	No. of Respondents
North Gujarat	250
South Gujarat	250
Central Gujarat	250
Sauratstra& Kutch	250
Total	1000

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Table 2: Age of Respondents

Age (Yr)	No. of Respondents
Below 25	176
25 to 45	645
46 to 60	123
Above 60	56
Total	1000

Table 3: Gender of Respondents

Gender	No. of Respondents
Male	689
Female	311
Total	1000

Table 4: Family Size

Family Size	No. of Respondents
Less than 4	289
4 to 6	484
More than 6	227
Total	1000

Table 5: Education

Education	No. of Respondents
Less than Secondary School	236
Secondary School (SSC)	273
Higher Secondary (HSC)	376
Graduate	88
Post Graduate	12
Other	15
Total	1000

Table 6: Place of Living

Place of Living	No. of Respondents
Urban	484
Rural	516
Total	1000

Table 7: Occupation

Occupation	No. of Respondents
Agriculture	317
Poultry	156
Labor/ Helpers	257
Petty ventures	172
Other	98
Total	1000

Table 8: Monthly Family Income

Monthly Family Income (Rs.)	No. of Respondents
Less than – 4,000	107
4,000 – 8,000	512
8,000 – 12,000	213
12,000 – 16,000	135
16,000-20,000	97
More than 20,000	24
Total	1088

Table 9: Source of Information

Source of Information	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	Total
Advertising in TV/Radio/Newspapers	113	156	124	104	56	126	158	163	1000
Posters/Banners/Hoardings	85	68	279	201	70	112	139	46	1000
Friends/Relatives/Neighbors	179	114	125	147	136	88	95	116	1000
Banks Representatives	89	113	145	215	125	112	98	103	1000
Village Panchayat members	84	85	116	124	153	129	168	141	1000
SHGs members/Group leaders	246	123	112	88	156	95	102	78	1000
Awareness campaigns organized by the institute	92	135	61	56	201	102	156	197	1000
NGOs Representatives	112	206	38	65	103	236	84	156	1000
Total	1000	1000	1000	1000	1000	1000	1000	1000	

Table 10: Microfinance Facility

Microfinance Facility	No. of Respondents
Yes	868
No	132
Total	1000

Table 11: Microfinance Helpful

MF Helpful	No. of Respondents
Yes	612
No	388
Total	1000

Table 12: Awareness about MFIs

Awareness about MFI	No. of Respondents
Yes	789
No	211
Total	1000

Table 13: Microfinance Services

Microfinance	Services	No. of Respondents
Micro Credit	Agricultural loan	253
	Consumption loan	146
	Educational loan	59
	Loan to take up small economic activities	124
	Loan to buy any Machinery/ Equipments	29
	Auto loans	21
	Medical loan	12
Micro Savings	Fixed deposit	56
	Current account	12
	Saving account	362
	Zero minimum balance saving bank account	42
	SHGs saving bank account	562
Micro Insurance	Life insurance	135
	Health insurance	62
	Crop insurance	32
	Cattle insurance	36
	Asset insurance	15
Housing Microfinance	For construction / purchase of house	36
	For repair and renewal of house	54
Other Services:	Differential Interest Rate (DIR) scheme	24
	Money transfer facility	62

	Payment/ collection services	51
	Debit/ Credit cards	129
	Advisory services to NGOs/SHGs to identify viable projects	269
	Training Programmes for NGOs/SHGs/entrepreneurs	142

Table 14: Loan

Loan Taken	No. of Respondents
Yes	734
No	266
Total	1000

Table 15: Purpose of Loan

Purpose of Loan	No. of Respondents
Agricultural loan	253
Consumption loan	146
Educational loan	59
Loan to take up small economic activities	124
Loan to buy any Machinery/ Equipments	29
Auto loans	21
Medical loan	12
Housing Loan	90
Other (Please Specify)	0
Total	734

Table 16: Amount of Loan

Amt. of Loan (Rs.)	No. of Respondents
Less than 10,000	112
10,000 – 30,000	136
30,000 – 50,000	157
More than 50,000	329
Total	734

Table 17: Duration of Loan

Loan Duration	No. of Respondents
Less than 1year	12
1 to 3years	165
3 to 5years	343
More than 5 years	214
Total	734

Table 18: Time to Receive Loan

Time to Receive Loan	No. of Respondents
Less than 15 days	323
15 to 30 days	278
31 to 45 days	128
More than 45 days	5
Total	734

Table 19: Financial Assistance

Financial Assistance Received in Time	No. of Respondents
Yes	601
No	133
Total	734

Table 20: Problems to Receive Loan

Problem to Receive Loan	No. of Respondents
Lack of securities	134
Complicated bank procedures	153
Difficulty in obtaining documents form government offices	159
Difficulty in mortgaging property	21
Lack of knowledge of rules for obtaining loan	85
Non cooperative behavior of bank officials/staff	182
Other (Please Specify)	0
Total	734

Table 21: Credit Gap

Credit Gap	No. of Respondents
Credit Gap Exists	336
No Credit Gap	398
Total	734

Table 22: Technology Adoption

Technology Adoption	No. of Respondents
Never Adopted	157
Adopted without Microfinance	329
Adopted with Microfinance	514
Total	1000

Table 23: Consumption of Luxurious Items

Consumption of Luxurious Items	No. of Respondents
Never Consumed	834
Consumed without Microfinance also	64
Consumed after assistance by Microfinance	102
Total	1000

Table 24: Improvement in Life

Improvement in life	No. of Respondents
Yes	664
No	336
Total	1000

Table 25: Repayment of Loan

Repayment of Loan in Time	No. of Respondents
Yes	281
No	453
Total	734

Table 26: Reason for Non-Repayment

Reason of Non Repayment	No. of Respondents
Flood and other natural calamities	79
Low price of production	133
Heavy expenses on social ceremony	103
Expenditure on court cases	3
Increase in prices of essential commodities	92
Medical expenses in family	31
Installments of big amount	12
Other	0
Total	453

Table 27: Consequences of Non-Repayment

Consequences of Non-Repayment	No. of Respondents
Assets given as security were confiscated	256
Legal action were taken	143
Someone else have paid like the guarantor/ family members	54
Others (Please specify)	0
Total	453

Table 28: Measures to Improve Credit Facility

Measures to Improve Credit Facility	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	Total
Awareness Programs	173	152	135	106	86	177	171	0	1000
Increase in Government Support	132	72	181	118	121	202	174	0	1000
Lower Interest Rate	142	116	124	174	143	147	154	0	1000
Increase in Credit Period	78	241	145	115	187	121	113	0	1000
Lower amount of Installments	134	87	142	145	154	174	164	0	1000
Simplify borrowing procedure	207	163	103	110	155	94	168	0	1000
Cooperation from Bank Staff	134	169	170	232	154	85	56	0	1000
Other (Please specify)	0	0	0	0	0	0	0	1000	1000
Total	1000	1000	1000	1000	1000	1000	1000	1000	

Table 29: Impact on Income

Income Impact	No. of Respondents
Increase	732
Decrease	45
No Change	223
Total	1000

Table 30: Impact on Assets

Asset Holding	No. of Respondents
Increase	612
Decrease	34
No Change	354
Total	1000

Table 31: Impact on Employment

Employment Impact	No. of Respondents
Increase in Employment Chances	744
No changes observed	256
Total	1000

Table 32: Impact on Self Confidence

Self Confidence	No. of Respondents
Increase	841
No Change	159
Total	1000

Table 33: Impact on Self Worth

Self Worth	No. of Respondents
Increase	812
No Change	188
Total	1000

Table 34: Impact on Communication

Communication with Others	No. of Respondents
Improved	652
No Change	342
Total	1000

Table 35: Behavior Impact

Behavior Impact	No. of Respondents
Desire to protest social evils	234
Response to problems	452
Protest to family violence	314
No Change	0
Total	1000

Table 36: Medical Facility

Medical Facility	No. of Respondents
Improved	352
No Change	648
Total	1000

Table 37: Sanitization

Sanitization	No. of Respondents
Improved	412
No Change	588
Total	1000

Table 38: Water Supply

Water Supply	No. of Respondents
Improved	327
No Change	673
Total	1000

Table 39: Education

Education	No. of Respondents
Improved	507
No Change	493
Total	1000

Table 40: Housing

Housing	No. of Respondents
Improved	143
No Change	857
Total	1000

Table 41: Food

Food	No. of Respondents
Improved	214
No Change	786
Total	1000

Table 42: Transport

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Transport	No. of Respondents
Improved	221
No Change	779
Total	1000

Major Findings of the Study

- (1) Microfinance is helpful to combat against poverty, and to improve life of poor people.
- (2) NABARD and MFIs are successful to create awareness about their existence in rural area.
- (3) People get information about microfinance schemes through their nearby resources, sources which are used for large publicity like banks, advertisements, MFIs campaigns are not found effective.
- (4) It is found that majority of beneficiaries are associated with microfinance only through micro-credit. Very few respondents are associated with micro-insurance and micro-saving.
- (5) Majority of loans are taken for smaller amount, which are mainly of agricultural and consumption purpose.
- (6) Banks and MFIs are successful to provide timely financial assistance in form of loan, as well as loans were disbursed in required amount.
- (7) Banking procedures and behavior of bank staff are major hurdles in microfinance by banks.
- (8) Technology adoption is one of major success of microfinance in Gujarat.
- (9) To improve credit availability to weaker section of society, institutional changes are required.
- (10) Microfinance created positive impacts on economic condition of weaker section.
- (11) Due to microfinance self-confidences and self-worth of poor people increased, and they are now in better position in to response to their social problems.
- (12) Microfinance can create major impact on standard of living of weaker section; however in Gujarat microfinance is still not successful to provide better medical facilities, water supply, sanitization, food grains, housing and transport.

(13) Overall purpose wise and agency wise refinance distribution by NABARD increased in state of Gujarat.

(14) Proper regulatory framework is required for financial inclusion of poor people.

Testing of Hypothesis

H.1 In Gujarat Microfinance the concept of Microfinance has not so developed as developed in state of Andhra Pradesh.

87% respondents aware about microfinance facility available to them, 61% respondents believe microfinance is helpful to them, 79% respondents are aware about MFIs operating in their area , but majority of respondents get information about microfinance from their friends, relatives and SHG members. Here microfinance market has greater scope in Gujarat but efforts of banks and MFIs does not reach to people directly. So, here there is a need to redefine microfinance delivery system, and instead of general approach individual approach will be more effective. In Andhra Pradesh Microfinance activities got boost because financial need of each beneficiary was addressed in required way. In Gujarat also this approach required particularly in micro-savings sector.

H.2 Due to NABARD people of Gujarat benefited.

From 2002-03 to 2011-12, credit flow of NABARD towards Gujarat is increased in a remarkable way. With study of agency wise and purpose wise refinance distribution it was found that there is 132% increase in NABARD's refinance distribution. The remarkable growth is measured in Land Development, Minor Irrigation, Non-farm Sector, Plantation and Horticultural, Inland Fisheries, and Swarnajayanti Gram Swarozgar Yojana.

H.3 Need of finance for poor people in Gujarat is required to be identified and properly addressed.

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In Gujarat microfinance growth can be seen only in loan disbursement, there are no significant activities observed for micro-saving, micro-insurance, training, money transfer etc. at the same time 84% respondents are away from consumption of luxurious items, so there is a gap between microfinance need and fulfillment. This gap needs to be fulfilled with proper microfinance model.

Like Latin America, in Gujarat also there is a huge chance to develop micro and small business enterprises with help of Microfinance, as Gujarat is an entrepreneurial hub of India.

H.4 There is a greater scope for Microfinance market in Gujarat if proper model is established. Despite of huge funding by NABARD and efforts by state government, in Gujarat microfinance is still not successful to provide better medical facilities, water supply, sanitization, food grains and transport. To improve standard of living is the first priority of microfinance, so with consideration of SLEPT proper Microfinance model should be developed in Gujarat.

Recommendations

- (1) Banks and MFIs need to publicize their schemes at more individual level.
- (2) MFIs need to develop innovative schemes to attract customers for loan, deposit, remittance and insurance products especially adapted for low income groups
- (3) MFIs need to develop schemes for micro and small business enterprises, as microfinance proves very much useful for them in Latin America.
- (4) Banks need to train their staff for microfinance business, as normal banking staff is unable to deal with microfinance business.
- (5) MFIs should carry aggressive awareness program about their schemes, they may also adopt delivery channels located as per the convenience of the clientele
- (6) From civil supply channel middlemen need to be removed, because at the one hand producers do not get sufficient price for their production and on the other hand consumers have to pay heavy price of goods in market.

Government can also work on alternative delivery channels.

(7) Systems and procedures should be adapted to the microfinance operation, e.g. systems that support immediate follow up on missed savings / loan repayments.

(8) MFIs should adopt transparent policies and procedures which enable all the stakeholders to scan through.

(9) MFIs should adopt appropriate risk management techniques and practices to reduce risk of micro-loans.

(10) Microfinance Institutions should have solid foundation for governance, which is broadly made up of six fundamental elements

(a) A shared vision / mission

(b) Good Management Information System (MIS) for making data based decisions and for monitoring

(c) Well laid down processes for making decisions

(d) Appropriate training for staff, both in skill development and attitudinal development

(e) Ability to face external and internal crises

(f) Resilience to bounce back.

(11) Government and MFIs should work together and in common direction to improve quality of living of poor people.

(12) A successful model for microfinance can be setup only on basis of Social, Legal, Economic, Political and Technology (SLEPT) of that region.

Conclusion

A well designed Microfinance project focuses on people's ability to contribute, their own resources and how these can play an important role in improving the livelihood. In the battle against poverty no single tool or approach can claim to be the only solution. The complexity of poverty requires a set of tools and approaches of which Microfinance is one. It is hard to imagine a situation with economic growth without the presence of financial services in some form improvements within the field of education and basic health are likewise crucial for reducing poverty. In general one can say that the existence

of MF services have two main effects reducing the vulnerability related to income and / or expenses fluctuations and secondly, making it possible for the poor to exploit business opportunities. A stronger household economy will increase the likelihood of more balanced nutrition that the family can afford to send children to school and increase access to health services.

Thus, a well driven Microfinance institution providing adequate financial services to the poor will have positive spillover effects on "traditional developmental goals. On the other hand, improved health conditions and education have proven to be important factors in improving the productivity of Microfinance clients.

Microfinance is a powerful and demanding tool. Do it well or leave it to others. The Micro Finance Industry is at a crucial stage of its evolution: it is coming of age. For a long time, Micro Finance has been moving beyond "small credit" to encompass "financial services to reduce vulnerability and to improve livelihoods". This shift in the scope of Micro Finance is both timely and essential. While the important shift has been in progress for many years amongst leading Microfinance Institutions, many remain fixed on "credit for enterprise". In such organisations Micro Finance clients continue to struggle to manage their savings to meet their real needs. Many Microfinance Institutions continue to simply replicate systems developed and delivered in foreign lands and very different socio cultural and economic environments to markets that are fundamentally different in nature and then struggle to understand why their clients leave in such large numbers. As a result this form of micro credit is confined to certain limited market segments and is not realizing its full potential developmental impact.

With this research following points can be derived out for an assessment of microfinance in Gujarat.

1. Microfinance is useful to combat against poverty
2. Access to financial services is crucial in reducing the Poor's vulnerability versus income and expenditure shack.

3. In order to succeed, the focus must be one of building sustainable Microfinance institutions and not of running a project.
4. Permanency, scale and long term commitment are key characteristics of successful Microfinance.
5. Financial sustainability for the Microfinance Institutes must be a goal.
6. Retail capacity is today the single most important constraint when it comes to increased outreach this does not mean that there is a need for more institutions but rather that the institutions should either be professionalized to be able to scale up their activities or leave the Microfinance field.
7. Microfinance requires specialization, unprofessional projects risk destroying the markets for the professional ones and thereby threatening the chances of a long term access to financial services for the poor.
8. Because of risk and cost involved, the poorest clients cannot always be reached with Microfinance, but can and should be reached by providing safe saving services.
9. Establishing strategic alliances between Microfinance Institutes and other organisations provide additional services, such as education and information, has a great potential.

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