

## Achieving Financial Empowerment for Women through Microfinance

Providing meaningful and formal credit to the 600 million unbanked economically poor in India has been a national priority for the last two decades. The microfinance sector has been contributing and will continue to play a vital role in supporting inclusive growth of the underserved. Digital empowerment – like online disbursement and repayment of loans will undoubtedly aid in delivering benefits of microfinance in a more efficient way.

The microfinance industry is already serving 5.80 Cr unique borrowers through 10.37 Cr loan accounts. The sector has helped create opportunities for low-income households by providing not just access to collateral-free easy credit, but also supporting them to make their lives better.

Microfinance has been providing a massive push to the economy by creating jobs, driving businesses, and transforming the lives of many aspiring women. The benefits of Microfinance to the women borrowers are multiple.

The foremost being the transformation, through financial inclusion, in the lives of women who belong to the bottom of the economic pyramid. Financial independence has enabled the women to become self-sufficient, stand on their feet and lead a respected life. Also, they are better off with managing risks, or funding household expenditures like education or setting up a small business for livelihood.

With access to steady and sustainable income, this eventually leads to stability in life. The rise in household income improves self-esteem and encourages women to achieve a better financial status in society.

Moreover, it is gradually to provide a better understanding of financial matters, especially accessing, managing, and utilising credit. This has steadily made women aware and financial literate.

In view of COVID, field interactions and group meetings by Microfinance providers have decreased and increasingly women borrowers are using digital modes to receive and repay loans. Rural women are happy digital customers enjoying the ease of online methods and keeping track of their inflow and outflow without anyone's help.

Digitisation will undoubtedly have a significant positive impact on financial inclusion as it would happen at a fast pace, and if indeed, this were to happen the benefits of microfinance would give a significant push to India's GDP growth rate.

### **About Microfinance Institutions Network (MFIN)**

MFIN is a premier industry association comprising 56 NBFC-MFIs and 40 Associates including Banks, Small Finance Banks (SFBs) and NBFCs. It is also the Self-Regulatory Organization (SRO) for the regulated NBFC-MFI. By virtue of bringing the NBFC-MFIs under one common umbrella, MFIN acts as a bridge between them and the regulators to build a dialogue for greater transparency, better policy frameworks and stronger client protection standards for responsible lending, thus enabling the microfinance industry to partake in meeting the larger financial inclusions goals.

