7

The Role of CSR in Micro Finance to Enhancing skills deficiencies to Reduce Defaulters: An Integrated Approach

Dr. Anitha Kumari
Asst. Professor, Bengaluru School of Management Studies
GITAM University, Bengaluru campus

Abstract:

Eradication of abject poverty through the financial literacy was aimed to be accomplished under the armoury of Micro-Finance. Financial Literacy for the economically Marginalised people in India have been the core of concern under the perspective of micro- economy. Micro-Finance has been coined a paramount important tool to combat the social evil particularly the mother of social evils called poverty. But owing to the anamolities of different structural loop holes there has been a concern of cloud appears over the process and financial health and hygiene of micro-finance in India. Micro credit in terms of repayment from the borrowers has over shadows the natural flow of Micro-Finance operation across the entire Micro-Finance companies. This hermeneutics study strive to open the logjam of this non-payment mechanism to foster the capital infusion that leads to capacity of lending and further strengthen the micro credit fabrics for holistic social empowerment. In modern times, when globalization, economic liberalization brings the world trade into a single converging point, multi disciplinary role became more dynamic and multi-dimensional to cater the need for each others. Human Resource is one the discipline which has its strategic significance to every sphere.

Methodology

Data sources:

The data collected for the study includes secondary data. The various sources used to collect secondary data include research papers, journals, articles and annual reports of banks. Data from the Microfinance information exchange (MIX) and various other websites.

Methods:

The methodology of study includes collection of secondary data from various research articles, journals, Magazines and the web sites related to Micro finance

Scope of the Study

The scope of the research is limited to the role of microfinance institutions leading to social inclusion in India through CSR way. The skill enhancement Programme (SEP) was used to increase the performance of the recovery of loans sanctioned through MFIs in India. This study does not take into account the MFIs in various other geographical regions in the world.

Objective of the Study

1. To study the process of financial inclusion in India.
2. To study the role of NGOS under CSR initiative in loan recovery.

3. To create a model for ensuring effective recovery for Micro Finance.
4. To examine the mechanism of bring Financial Literacy among rural borrowers
5. To understand the role and significance of CSR in order to bring the rate of defaulters under control in Micro finance Sector

Introduction:

"One small loan enables me to transform the liveli hood of my entire family. I have borrowed enough money to purchase a small cow. In three years i quadrupled my investment by selling cow milk and calves from original cow and constructed a new house for my family"............... Anwar Begam (Bangladesh).

The above statement signifies the success of Micro-Finance in Bangladesh which has been scripted in India to change the economy of rural landscape. Micro-Finance under the ambit of NBFCs (Non Banking Financial Corporations) is an instrument to arrest the financial inclusion that leads to holistic social inclusion for inclusive growth. The Rangarajan committee on Financial Inclusion defined Financial Inclusion as the "process of ensuring access to financial service and timely adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost". Above definition clearly state that it is time and affordability factors which separate the characteristic of micro credit from other types of macro credits. First noble laureate from Bangladesh Mohammad Yunus and Grameen Bank received the citation stated that "Lasting peace cannot be achieved unless large population groups finds ways in which to break out poverty. Micro credit is one such means." Peace need to convert into pace to remain a substance of sustainability in the liveli hood of economically deprived section of the community. The main idea behind Micro Finance is that marginalised poor people in the rural, urban, semi-urban geography who cannot provides collaterals for seeking loan can facilitate with the provision of small loan to cater their productive and self sustaining activities.. Economic Emancipation of women has been a reality in today's competitive world became a substance of achievement by the catalyst role that Micro Finance has played. United Nation Capital Development Fund (UNCDF) has provided the fund to Bangladesh to project the micro finance on productive purpose such as rice cultivation, cattle fattening, and small scale entrepreneurial initiative. The definition of Micro Finance stands the means by which poor people convert the small sum of money into large lump sum (Rutherford, 1999).

Emergence of Micro-Finance: Global Footprint

"Susus" of Ghana, "chit funds" in India, "tandas" in Mexico, "arisan" in Indonesia, "cheetu" in Sri Lanka, "tontines" in West Africa, and "pasanaku" in Bolivia, as well as numerous savings clubs and burial societies found all over the world represents the savings and credit groups entities have been operating since the centuries. As "necessity is the mother of Invention ", so Micro –Finance also emerge as a instrumental tool to alleviate poverty under the influence of widening economic, gender, color, race disparities around the world. Commercial Banking was considered as a striking force to narrowing the disparity gaps; fail to accomplish the desire goal. No of Unbanked people remain outside the boundaries of economic eco-system. Under this perspective formal credit and savings institution come forward to ponder the value delivery system through credit delivery mechanism through co-operative for the said section of unbanked marginalised people. Such initiative of credit delivery without collaterals was initiated by Irish Loan Fund System, in the early 1700 by noted Irish Nationalist Jonathan Swift. This idea made a wave and created 300 found to facilitate 20% of household in Ireland. People Bank, Credit Union, Savings and Credit Co-operatives raised their existence in the decade of 1800 across

Europe. Former World Bank President James Wolfensohn once said "Microfinance fits squarely into the Bank's overall strategy. As you know, the Bank's mission is to reduce poverty and improve living standards by promoting sustainable growth and Investment in people through loans, technical assistance, and policy guidance. Microfinance contributes directly to this objective" .The emphasis on microfinance is reflected in microfinance being a key feature in Poverty Reduction Strategy Papers (PRSPs).

Micro-Credit, a Panacea:

Although agriculture contribution in GPD is in continuing decline, but the impact of agriculture remain standstill in the fabric of Indian Economy. Ever five year plan focus more on agriculture credit which is still in demand particularly for marginalised peasant to irk their live hood. HYV (High Yielding Varity) and Genetic Modified Crop (GM) has augmented the quantity and quality of production, but operational expenses for accessibility to technology being still restricted due to finance ails credit. Therefore, Planning Commission in every five years plan laid down the importance of rapid and progressive institutionalization of timely and sufficient credit support for the easy accessibility of agricultural technology for the deprive marginalised farmers. Financial Inclusion is need of the hour for this section that dwells in the mass landscape of rural habitats. Finance by the name of rural credit is catered to the growing by the Micro-Finance institutes

Review of literature:

Empowerment is a holistic concept comprising multi-dimensional approaches in the different aspect of life. Stromquist (1993) identified four interdependent Dimensions of empowerment – cognitive, psychological, economic, and political. Cognitive empowerment refers to knowledge about, and understanding of, the conditions and causes of subordination. Psychological empowerment relates to the development of self-esteem and self-confidence enabling powerless individuals' or group to recognise their own power and to motivate those into action. Economic empowerment is the ability to earn and control economic resources. Political empowerment involves the ability to analyse one's world and to organize and mobilise for social change. Acharya and Ghirme (2005) identified three dimensions of women's empowerment-economic, social and political. According to them each component of these dimensions reinforces each other. The economic aspects include increasing women's access to, and command over tangible and intangible resources, such as wealth, Property, employment, knowledge and information. Social aspects include changing Discriminatory ideology and culture, which determine the environment for women's Existence. Finally, political process must increase women's presence and influence in the power structure.

However, Garba (1999:131) adopted two genetic concepts of dimensions of Empowerment with respect to women: the static and dynamic. The former emphasizes Women's empowerment in terms of their capacities to participate in decisions making that directly or indirectly affect their lives, and to influence those decisions. This refers to the notion of women having an effective voice. Women are also assumed to be disempowered when they cannot influence decisions that alter their lives. The Static concept of empowerment leads to exogenous empowerment strategies. Exogenous Strategies are those built on the premise that disempowered groups can be empowered by external individuals or groups in the way so that an effective voice could be given to women. The exogenous empowerment strategy implies a top-down approach. . Lastly it can be said that the process of women's empowerment highly depends on the existence of alternatives. Women may be aware of the conditions of their oppression, but if they see no viable alternatives, if there are no choices available, they can only turn their anger inwards, into frustration and bitterness, or into (religious) acceptance of suffering. Such exogenous approach towards the development of the women, there are various sift in the policy approach of GOI(Government Of India) in the last forty years from concepts of "welfare" (1970s), to "Development"(1980s), and now the " Empowerment" in 1990s. (Behuria, 2004). The first noble laureate of Bangladesh Mohammad Yunus has taken the same exogenous approach to hand over the economic power to women through disbursing the micro credit in considering the multiple factors in aiming rural women emancipation. Self Help Group (SHG) movement was one of the steps forward in this direction by becoming one of the first micro lending to women in groups that has been eclipsed by the rise of MFIs in the last decade. India, with 1,270,272,105 (1.27 billion) people is the second most populous country in the world, rural population 68% represent from rural habitats.Economicaly active rural women population contributing 31% out of total women population 35,98,17171. Basically SHG are being part of the micro finance institutions aimed at helping the poor to easily obtain financial service like savings, credit, and insurance. The SHS-Bank linkage Programme (SBLP) is a milestone strategy to improve rural people access to formal credit system in a cost effective and sustainable manner by making use of SHGs. Over ninety percentage of the SHGs link with banks were found to be exclusive women SHGs. There has been much debate in the gender and development literature on how to achieve women's empowerment, with this debate often pointing on whether Microfinance programmes do in fact empower women (Jayaweera, 1997). Does access to credit automatically lead to empowerment? – This question is increasingly being asked by academics who are working on the impact analysis of microfinance on women (Cheston and Kuhn, 2002). Kantor (2003) identified a similar question: opportunity to income earning can improve women's status within the household or do social norms and practices intervene to make access to resources alone insufficient to challenge intra-household gender relations in some contexts? These questions are critical for understanding Changes in gender relations and the contribution of microfinance to women's

Several studies (Chaudhary, 2005; Garba, 1999; Gulati, 1996 etc.) have indicated that access to credit and income cannot lead to the empowerment of women instead those are associated with processes of changes in the power structure. Therefore, it is important to make a conceptual distinction between projects that seek to reduce poverty and enhance productivity and those that seek to empower women, as the strategies adopted could be different. Cheston and Kuhn (2002) pointed out that the ability of a woman to be empowered through access to financial services depends on many factors – some of them linked to her individual situation and abilities, and others dependent upon her environment and the status of women as a group. So Status of women as a group ensure micro credit through SHGs develop the credit delivery mechanism into distinctive dimension to empower rural women in order to eradicates the menace of the society such as gender inequality, child mortality, illiteracy.

So, Professor Muhammad Yunus, the founder of "Grameen Bank" and its Managing Director, reasoned that if financial resources can be made available to the poor people on terms and conditions that are appropriate and reasonable, "these millions of small people with their millions of small pursuits can add up to create the biggest development wonder." The above statement signifies the role of rural women is the instrumental catalyst to create a long and sustainable wealth in order to expedite the wheel of rural inclusive social development.

Economic Sustainability and Micro Finance: A Road Ahead:

Sustainability is a word indicates the nature of respective practices of any kind. Micro finance as an instrument of rural development rely on several factors link with socio-economical aspects. Technological progresses, Commercilization, rapid urbanization are the most influential indicators to stir the growth of rural micro economy. Sustainability of Micro credit in appropriate mechanism depends on the said factors. Moreover, to gain the momentum of business it is finance that is imperative or others factors are equally important is area where academician and practioners invest their school of thoughts in several aspect. Economic sustainability has its myriad ways to attain its long standing objective. By only providing finance is barely a means to make the wheel of economic activities run. But the direction of destination can only be guided through the right mechanism of its timely execution makes the road of success into sustainability of success.

"***Give a man a fish he eats for a day, teach a man to fish he eats for a life time"***..... This Chinese proverb has its succinct validity to understand the value of the word" Economic Sustainability". The ethos of Micro Finance and its vital need in developing nations specially those grappling with the changes of poverty alleviation and unemployment. Micro finance is often considered to be just about giving micro credit to the financially challenged population, but essence of Micro finance to attain financial inclusion that is the fundamental conduit for extending financial service to unbanked sections of population. The sector has evolved vastly ever since the noble laureate Muhammad Yunus laid the foundation of modern MFIs with establishment of Grameen Bank, Bangladesh which has transformed the dynamic of rural economy. He was conferred with the noble in the discipline of peace not in the economics on account of his contribution to bring the peace within the rural economy by providing them a weapon of peace called economic stability. Hence, Micro finance can be an instrumental force in developing financial inclusion that leads to '**inclusive growth'** resulted in economic sustainability across all the demographics.

Analysis:

Crises at the bottom of the Pyramid

Back ground of the Crises...

I. The microfinance industry in India is in the mid of the most severe crisis in its 25 year history. The genesis of the crisis lies with the actions taken by the government of the southern state of Andhra Pradesh in October 2010, when it passed legislation by shutting down all private sector microfinance institutions ("MFIs") operating in the state. In the first half of FY2011, MFIs in Andhra Pradesh disbursed Rs 5,000 crore ($1.13 billion) to borrowers; in the second half of FY2011, these same MFIs could only disburse Rs 8.5 crore ($1.9 million)i. The Andhra Pradesh Government's stated aim was to protect the poor although the penultimate actions have resulted in a substantial (600-fold) decrease in financing to the very poorest of India's citizens. The AP Government's actions have eventually shut off finance to these most vulnerable of India's citizens.

II. The direct effect of the enactment of the Andhra Pradesh (AP) Act has been to deny millions of India's poorest citizen's access to basic financial services. The impact of the AP Act has the potential to affect 450 million people creating a severe shortage of much needed finance to the rural poor, India's most vulnerable inhabitants

III. The AP Government's claims that private sector MFIs are exploiting India's poor by charging uneven interest rates and practicing coercive recovery techniques cannot be substantiated Based on numbers from SERP, it appears that the suicide rates amongst MFI borrowers are dramatically lower than the statistical average in the entire state of Andhra Pradesh.

IV. Private sector MFIs have demonstrated to be the most scalable and sustainable way of helping the Indian government meet its stated policy of encouraging "financial inclusion" for the 450 million people in India who are currently "unbanked", i.e., with no access to basic finance.

V. The Malegam Committee's recommendations and their broad acceptance by the RBI give rise to a number of concerns, and the constraints proposed around loan limits, interest rates, provisioning norms and capital requirements must be revisited to avoid unintended and deleterious consequences that could permanently impact private sector MFIs.

Statement of the Problem:

A research paper published international Journal of Management Research Development (IJMRD) titled "A study on recent trend and problem in using Micro Finance service in India" has revealed different cause and factor effect on Micro finance problems that is the indicators of sluggish pace of Micro finance institutes in India. Problems have featured in the following table to further analysis.

Table 1: Problem identify in availing Micro Finance

SL NO	FACTORS	WEIGHTED MEAN
1	Charge more Interest on Loan	4.12
2	Use of undue influence in delay of loan settlement	4.34
3	Unnecessary delay cause in availing service	3.89
4	Document support expected for credit	4.01
5	Low interest for Micro savings	3.78
6	Micro Insurance is not suitable to cover survivals	4.21
7	Charges are very high	3.57
8	Official support is not satisfactory	4.21
9	No involvement of provision on micro finance service	3.57
10	No chance for getting business & technical support	3.82
11	Lack of finance support for starting business	3.92
12	No subsidy offered at worse time	3.99
13	Failed to support live hood	3.43
14	Consumed more productive hrs.	3.73

(Source: Research Published on IJMRD, March 2013)

The above table drawn from the primary data is the testimony of myriad nature of problems being confronted in the centre stage of Micro Finance sector in India. Andhra Pradesh legislation act, 2010 is the result of the core operation impediments that has been a perineal loop holes in MF sector. From the weighted mean it is substantiated that loan repayment, documentation hazards, interest charge, post loan follow up are the areas of profound concern. Data also suggests that, MFI approach is under the confinement of restrictive practices. This study examines the core area of repayment problem generates from the gap of lending and payments. No chance of getting technical and business support is one of the major areas that generate multiple layers of problems which is the main aim of this study to find an win –win solution. In a nutshell, it can be stated that merely lending micro credit produce non productive resource that leads to regular failure of repayment. Failure in repayment creates Non Performing Assets (NPA) for MFIs as well other financial institutes such as banks, NABARD etc. This study seeks a resolution of this core problem to enhance the skill competencies of rural micro credit borrowers to support their business function in right direction in order to facilitates the timely repayment to build trust between borrowers and lenders (MFs) in resulting the sustainability of the Micro-Finance.

Credit Recovery Vs Long Term Sustainability:

Technology that has been changing its functioning in a rapid space under the influence of growing needs and post adaptation across all the countries owing to the impact factor of globalization, is paving the way to foster the pace of financial inclusion. Above problem identifies the areas which need to be nurtured in a right manner to unveil the value delivery system of MF objective in a holistic accomplishment. A whole new way of lending that hinge on a peer-to-peer (P2P) or e-micro finance model has been a widely accepted tool of MF as a websites publishes a list of loan seekers from NGOs or a MFIs. An innovative platform where the prospective lenders chooses the borrowers of his or her choice, makes payment through an online platform and gets monthly or quarterly payment on the loan, with 6-8 per cent returns. The facilitating online platform retains 1-5-2 percent as their own fees. Hence, the end cost for a borrower comes anywhere between 15-16 per cent. Some of the international fame of business fraternities like former CEO of Citibank, Vikram Pandit, Infosys former CFO V Balakrishnnan, Skype co-founder Toivo Annus, Jayprakesh Parekh one of the founder of Sony entertainment has joined in the bandwagon of P2P or e-microfinance as an attracting high profile individuals, both as investors and lenders.

So, long journey of this new breed of micro finance has been a centre of attraction. Social lending platform turns into a mammoth opportunity for MF is going to replace an offshoot of conventional Grameen lending model is need to be seen as a self-regulated and self controlled repayment risk reduction. Cost of borrowing and the cost of repayment with off bite transparency can bring the most desirous result out of the multiple repayment bottlenecks. Social media platform also can contribute to the gain of financial literacy that is a stream roller in reducing the micro credit defaulters and hence boost the financial health of MFIs.This P2P or e-MF model and social media intervention can be a key stepping stone to induce financial literacy through business consultancy among unbanked rural borrowers of micro credit in order to further strengthen the relationship between MFs and borrowers. Moreover, the uncertainty of repayment of loan will reduce significantly on account of in timely and viable business consultation that gives the right direction and dimension of business to the borrowers based on various factorial analysis that help them to pay loan

CSR: Impact and its role to resolve the recovery mechanism:

Analysis:

Corporate Social Responsibility is a social practices exercised by corporate in understanding the business responsibility towards society. Adam Smith, the Father of Economics as we know, is famous for advocating "***laissez faire***" or leaving things alone, when it comes to regulate business activities. He argued that there is an "invisible hand" that guide the actions of the individual for, while they strenuously pursue self – interest in the product they make and sell, in the process, they are satisfying other's needs and thereby society's welfare. Social responsibility links with corporate social responsibility as profit evolves from the cluster of the society. Academician as well practioners are in debates in identifying CSR as an integral part of business. But after the enactment of company act, 2013 by GOI (Government of India) to contribute 2% of their profits has widen up the spectrum of CSR value driven proposition. From the cheque book Phrinalthrophy to the core area of business, CSR has evolved across its wings of importance in practising core business activities. It is not mealy a resipocrative responsibility(R-R) to the society, but an imperative business practices.

Social activism becomes an integral part in running business owing to the ever changing dynamics of business environment under the fabric of globalization, liberalization.

Micro Finance and CSR: Hand in Hands:

MF is itself a part of social responsibility draws many debates. Recent incident in AP has raised the question about MF responsibility towards social inclusion. Farmer's suicide in AP and post government legislation amplified the role and significance of CSR in MF. MFIs should initiate another social responsibility under the ambit of CSR, to educate the borrowers and through financial literacy. Moreover, it is imperative for MFIs to understand the demographical factors that influence the rural borrowers to pay their loans in timely and systematic manner. Hence, MFIs social responsibility plays a major and substantive significance in developing the human resource competencies in repaying the loan. CSR as a part of MFI's business activity has a distinctive and transparent accountability towards their borrowers and the society.

A thrush of skill enhancement mechanism: Area of CSR in MFIs:

This study has undergone a slew of factors in identifying the root cause of non repayment of micro credit that overshadows the prospect of MFIs growth and social inclusion. While understanding the core factor behind the growing number of defaulters, it has been found that there is a wide gap of business practice and core skill competencies according to the need of the respective business demand. Hence, bridging this gap is a challenge that every MFIs are facing to facilitate loan recovery mechanism.CSR by MFIs can be a game changer to enhance the scope of skill development that can works as an instrumental tool to drive the right business to the right borrowers and rekindle a right sprit to make actual entrepreneur. MFIs need to energise this CSR activism by outsourcing it through Non Governmental Organizations (NGOs) in the area of skill enhancement through imparting of right training and right advocacy of business practice among rural micro credit beneficial, ascertain the local demographical factors depends on respective rural habitats.

A few facts to nurture:

This study identifies plethora of findings in respect to availability factors and subsequent growing numbers of defaulters in Micro finance sectors. All the problems that MFIs in India are facing are combination of internal as well exogenous factors. Earlier research has shown undue settlement in loan and timely official supports are two core problematic factors in availing MF.On the contrary other secondary data as well AP episode also indicates that there is another piece of puzzle that needs fitting for micro finance to make a real dent in poverty. It is understood that the borrower are least capable of income expansion not only for capital adequacy but also in competencies in knowledge and skills. Hence, proper capital utilization in a right way can further induce capital enrichment.MFIs need to understand the deficiencies in imparting skill enhancement programme among rural borrowers to explore the scope of optimization of their loan in producing and creating social wealth. This onerous responsibility can be paved through wings of corporate responsibility that need to be outsourced and promoted through the hand and hands approaches with NGOS.

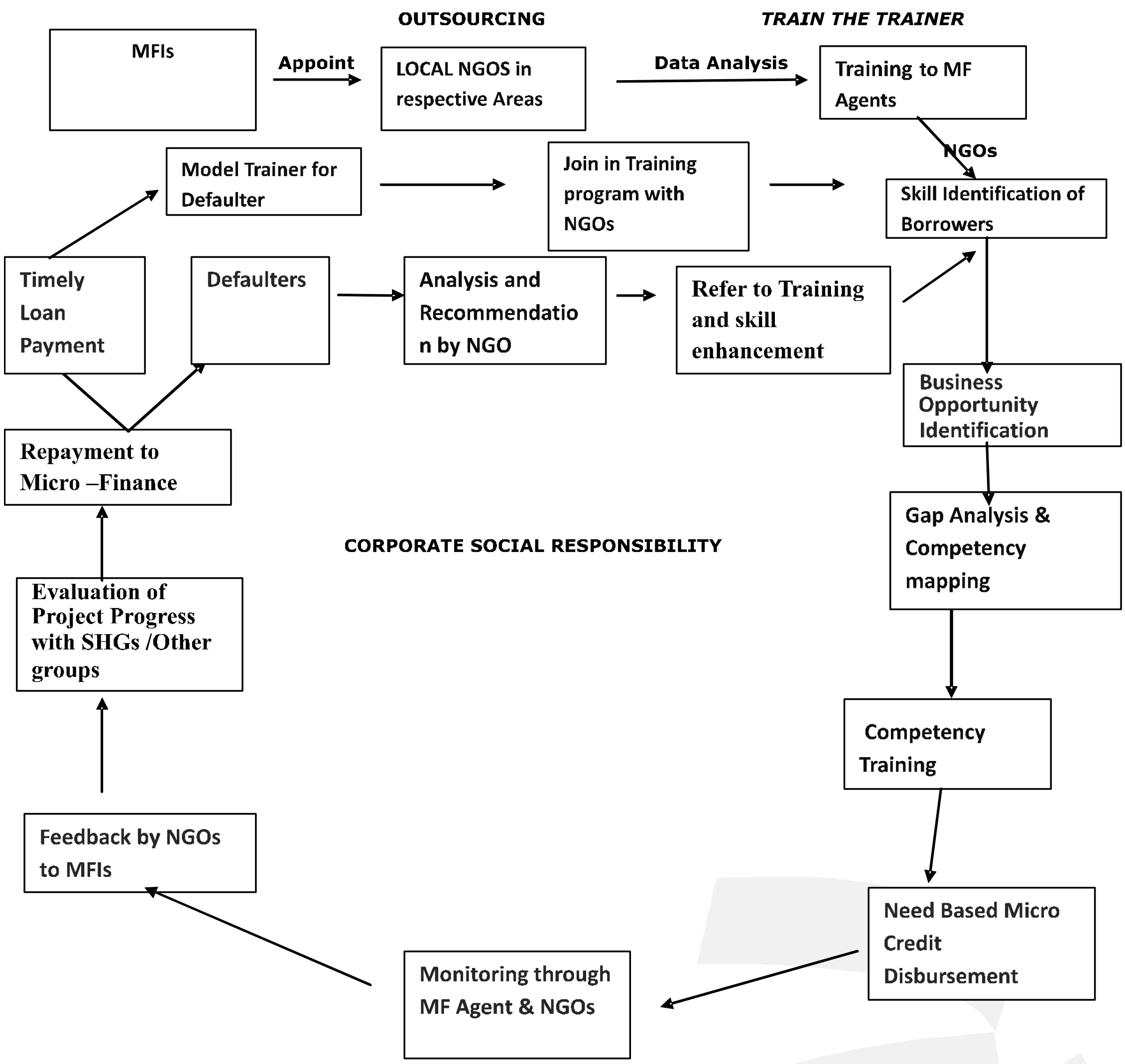
Micro Finance and its Sustainability through value creation: A CSR way

This study depicts the value that can be created through micro credit delivery for the social development under collaborative and collective exchange of responsibilities within MFIs and borrowers. There are numerical hurdles that have been supplicating a road block in the growth path of expansion of MFIs.Value delivery mechanism produce sustainability to unlock the further value proposition. Secondary data from multiple sources substantiate a wide range of value delivery flaws in applying the right mechanism for accomplishing suntentive and sustainable value proposition.NABARD promoted SHG-Bank linkage programme, joint liability groups (JLG) on the line of SHGs are working in a uniform direction to gain collective repayment obligation. But repayment and loan recovery is subject to various risks owing to its nature because repayment period is barely a few weeks or months. So, from this limited tenure of repayment indicates high possibility of payment default. Under this perspective this study suggests an innovation integrated model linking CSR and MF to deliver a value chain delivery system between MFIs and the respective rural borrowers. Micro finance Institutes need to invest in CSR by connecting NGOs in imparting financial literacy training and skill development to enhance the core competencies of borrowers. Over and above under the CSR initiative they should solicit the experts opinion of respective NGOs based on the respective rural area to give business advice depends on the demand of the respective local geographies to catapult the business need. This integrated CSR programme that has been figured out in the below diagram can be antidotes to ascertain the actual problems and subsequent remedies to bring sustainability of micro finance programme.

Summary of the Model: Integration between CSR and Micro Finance

The below diagram of the model depicts the value that can produce by an integrated way linking CSR and Micro finance in aiming to reduce the number of micro credit defaulters as well sustainability of Micro Finance business eco-system. Capacity of income expansion is a major area which jeopardise the payment structure in Micro finance. Infusing capital does not ensure capital expansion until investment of the respective capital goes into right business path. This is the need of the hour of MFIs to ascertain the root cause and develop an action oriented mechanism. This study has suggested through this below model a CSR approach by the MFIs that can resolve this core repayment problem of borrowers. Understanding the existing skills of the borrowers imparting right skill enhancement training along with guiding them to invest in right business according to their (borrowers) skills can ensure the return on investment (ROI). Model shows an integrated association between MFIs NGOs under the ambit of social responsibility to tender skill enhancement programme to the micro credit beneficial for constituting a win-win proposition. Micro finance institute need to outsource this skill enhancement programme (SEP) to local NGOs who has an expertise in skill development in the respective geographies. NGOs will identify the skills from the borrowers through data analysis, followed by identification of business opportunities, gap analysis, competencies training to ensure need based credit disbursement to the loan aspirants. Apart from the training and development NGOs will ensure the business consultancy followed by monitoring and timely evaluation of the borrower's business progress. The third phase of the integrated process will produce timely and systematic repayment of micro loan. Moreover, it will boost up the trust between MFIs and respective Joint Liability Groups (JLG).On the contrary if any groups unable to pay loan on time as a defaulter, NGOs will have a close contact with the group and restructure the group business activities with further enhancement of their skill through another round of training. Meanwhile, the timely repayment borrowers (JLG) will join with NGO to become a role model for the defaulters. They will actively participate in the training programme and share their expertise to the bidding entrepreneurs. This cyclic process is a composite illustration of integrated approach to accomplish the objective of Micro finance Institutes to reduce the level of defaulters and subsequent wealth creation. Implementation of this model not only reduce the number of micro credit defaulters, but also reduce the risk of Non Performing Assets (NPA) to the banks as they lend the loan to MFIs.This model is a another testimony of collective social responsibility of Micro Finance Institutes to improve the productivities across marginalised communities that can be a boon to comprehensive Financial Inclusion leads to social inclusion and Government of India's most sought after accomplishment called " Inclusive Growth"

An Integrated Model: Micro Finance and CSR



Conclusion

This secondary based hermeneutics study has focused different aspect of Micro credit in India. Micro finance is social instruments that need to be nurtured in an appropriate mechanism to make it a sustainable weapons to combat various social menace particularly poverty. But the growth of MF has been a major concern owing to its nature of disbursement of micro credit. It has a unique proposition in disbursing loan to the marginalised section in comparison to Banks. A slew of defaulters as a group has marred the growth prospect of MF in recent past. Vulnerability of MF lies in loan disbursement and loan repayment. So, this study aim to unveil the areas of thrust to minimized this process of financial exchange. The gap between capital infusion and capital recovery has been highlighted through this study and come up with a model that can be a weapon to bring down this gap. An integrated model under the influence of CSR from MFIs is an antidote to gain the viability and sustainability of Micro Finance. Skill enhancement program (SEP) under CSR initiative will be a boon to capital infusion and post capital recovery that can produce trust building as well social inclusion.

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