

# Microfinance and Gender Equality: Issues and Outlook

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**Abstract:** *In recent years, microfinance has emerged as a significant tool in the fight against poverty. The microfinance scheme has proven effective in elevating individuals beyond the poverty line by offering enhanced self-employment prospects and fostering creditworthiness. In India, the microfinance sector has witnessed substantial growth, catering to both rural and urban populations with a comprehensive range of financial services. While the core concept of microfinance encompasses more than just microcredit, the terms microfinance and microcredit are often used interchangeably. Notably, the microfinance industry places a strong emphasis on empowering women clients due to their proven creditworthiness. An overwhelming 97 percent of microfinance clients are women, reflecting their pivotal role in this domain. However, despite this focus, there appears to be a lack of concerted efforts from microfinance institutions (MFIs) to genuinely promote women's empowerment and gender equality. This paper draws on secondary data and articles, supplemented by the researcher's own experiences as a Branch Head at BASIX and Janalakshmi Financial Services Pvt Ltd. The study aims to delve into gender-related challenges within the microfinance industry, identify opportunities for achieving gender equality, and examine the obstacles and potential pathways toward this goal. Additionally, the researcher investigates the rationale behind the strong emphasis on women within the microfinance sector.*

*In conclusion, the findings suggest that, beyond the mere provision of credit, MFIs have not adequately prioritized gender equality initiatives. Consequently, the anticipated positive impact of microfinance on gender equality has yet to materialize on the ground. It is imperative for MFIs to take proactive steps towards promoting gender equality, not only to enhance the borrowers' livelihood sustainability but also to ensure the long-term viability of these institutions*

**Keywords:** Microfinance, Gender Equality, Women empowerment

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