

A Study on Micro Credit in Poverty Alleviation and Employment Generation in Tirunelveli City

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Abstract: *Microfinance has emerged as a powerful tool for poverty alleviation and economic development, providing financial services to underserved populations, particularly in developing economies. This study examines the role and impact of microfinance in enhancing financial inclusion, fostering entrepreneurship, and empowering marginalized communities. The study focuses on the role of microcredit in improving the socio-economic conditions of rural people. Microcredit refers to the provision of small loans to the poor to start or expand income-generating activities, promoting self-employment and financial independence. The main objective is to analyze how microcredit contributes to poverty reduction and employment creation and to assess the impact of microcredit on income levels, standard of living, decision-making power, and overall empowerment. The adopted includes both primary and secondary data collection; primary data were gathered from 140 respondents through structured questionnaires, while secondary data were obtained from journals, reports, and official records. Statistical tools like percentage analysis and ranking method were used for interpretation. The findings revealed that microcredit has significantly improved household income, and created new employment opportunities in rural areas. It also strengthened self-confidence, savings habits, and social participation among beneficiaries. However, some challenges such as repayment difficulties and limited training support were observed. This study suggests providing continuous training, better marketing facilities, and flexible repayment systems to ensure sustainable development.*

Keywords: Socio-Economic, Self - Employment, Significant, Facility, Poverty

