

Xavier University Bhubaneswar
University Dialogue Series (UDS)

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Venue: Class Room 129

Micro-Credit and Poor: From the Lens of Asset Creation

Speaker:

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The literature on impact of micro-credit on poverty hints towards differential effect of micro-credit across various socio-economic groups. The issue of measuring the impact of micro-credit by evaluating the impact on income has plagued much of the research output in this subject area. It has been widely assumed that increasing income and alleviation of poverty is synonymous, and hence the goal of micro-credit should be to increase income. The impact of micro-credit has not been evaluated on the basis of other parameters like asset accumulation, increase in social status, women's empowerment, etc.

This paper attempts to evaluate the improvement in asset accumulation due to access to micro-credit across different socio-economic group. For the purpose of this evaluation, the new socio-economic classification tool published by Market Research Society of India is being used. The paper explores the following research questions:

- Does micro-credit lead to improvement in the asset position of all communities representing various socio-economic classes?
- Is there any difference in the impact of micro-credit on communities belonging to different socio-economic classes?
- Does microcredit have equal impact towards women empowerment across communities belonging to different socio-economic classes?

The analysis suggests that there is significant difference between upper and lower socio-economic groups, in terms of loan amount, women empowerment and asset position improvement.

Key Words: Micro-credit, Asset creation, Poverty, Socio-economic classification.

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