

# Effects of Micro-finance on Women Empowerment, Poverty Alleviation and Employment security: Review of Literature

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## *Abstract*

*The present study reviews the literature on the role of microfinance on women empowerment, employment security and poverty alleviation. The world developing and under developed economies are characterized by low rate of growth, dominance by rural population, heavy dependency on agriculture, adverse land mass ratio, highly skewed distribution of income and wealth beside, gender inequalities, high incidence of poverty and unemployment. The last three factors pose major challenges to the growth and prosperity of the world developing and underdeveloped countries. To overcome these problems micro finance is playing a vital role. Microfinance has been considered basic financial services including savings, insurance, credit and transfer of funds. The objective of study was to examine the role of microfinance in development of world developing and underdeveloped economies. most of the studies revealed that it is only due to microfinance programme that reducing poverty, generating of employment opportunities, improvement in living standard, reduced gender inequality and improved status of women, whereas a few studies showed negative effect of microfinance programme, particularly regarding the unchanged level of poverty, ineffective reach to the poorest, lower amount of bank loans, unproductive use of group loans, make women more vulnerable, high interest rates and miss targeting of the programme.*

**Keywords:** Microfinance, Literature Review, Empowerment, Employment, Poverty.

## **1. Introduction**

Microfinance has grown in size and stature since its humble origins in 1976 by Mohammad Yonus from Bangladesh, credited with laying the foundation of Grameen

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