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Title: **An Analytical Study of Micro Insurance and Credit Services in India-
The Role of MFIs and NGOs**

Abstract: Over the last 30 years, the microfinance industry has proven that the extreme poor are bankable. It has now been widely acknowledged that microfinance for the poor which may take the any of the form such as microinsurance, microcredit or microsavings tailored to meet their needs – has enabled numerous families to lift themselves out of poverty. In the academic research also, especially in India, there has been paucity of research work conducted in the area of microinsurance and microcredit to study the demand side issues of microinsurance and microcredit holders and to show how far the efforts of MFIs and NGOs have been recognized and taken positively by the beneficiaries. The present study is undertaken to find out demand side reality of the roles of MFIs and NGOs in promoting microinsurance and microcredit in India. The perceptions of the beneficiaries are studied regarding the various roles performed by MFIs and NGOs segregated in terms of demographic variables namely gender, age monthly income and education level.

The study has to be carried out with limitations as regard to time, money, sample size, bias and language barrier.

Of the total 803 respondents 71.90% were males and. 28.10% were females. It has been found that respondents feel that the policy premium or interest rate charged by MFIs and NGOs is dependent on their age monthly income and education level. There is a significant difference between the age, monthly income and education level of respondents so far as their preference of loan destination is concerned. There is a significant difference between the gender, age, monthly income and education level of respondents so far as the overall satisfaction with MFIs and NGOs is concerned. The client perception regarding forms of social pressure that should be adopted by staff of MFIs and NGOs in case of repayment is dependent on gender, age, monthly income and education of clients. MFIs and NGOs deserve

client loyalty depending on their age, monthly income and education. The clients' perception that MFIs and NGOs value people and relationships depends on the monthly income and education of clients. The clients' perception that MFIs' and NGOs' do have an impact on income level of clients depends on their gender, age, monthly income and education level. The clients' perception that MFIs' and NGOs' impact on educational level of clients depends on their age, monthly income and education level. The clients' perception that MFIs' and NGOs' impact on social status of clients depends on the gender, age, monthly income and education of clients. The clients' perception that MFIs' and NGOs' impact on women empowerment depends on the gender, age, monthly income and education of clients. The clients' perception that MFIs and NGOs may become bankrupt depends on the gender, age, monthly income and education of clients.

The recommendations included that products should be simple and MFIs and NGOs should build up client loyalty, trust and long term bonding with the clients. They must streamline their roles regarding the use of social pressure in case of non-payment of loans or the interest/premium money. They should also provide certain non-financial services and work in the direction of women empowerment. They must improvise upon their roles as friendly caretakers rather than substitute for informal lending institutions and must establish that they are here to stay and are not running anywhere taking the poor's money. MFIs/NGOs have a bigger role to play in years to come as far as making an impact on Socio-economic level is concerned as there is vast poor and unemployed section in India that has to be catered to. Lack of transparency could be fatal for the growth of MFIs/NGOs and suitable marketing strategy should be devised. MFIs should build up an adequate pool of managerial and technical skills to serve clients and must kill the natural reluctance on the part of clients. Lastly, PPP model has been recommended to integrate the skills, expertise, and experience of both public and private sector agencies. In this model delivery channel is strengthened through clear-cut demarcation of responsibility each party is required to fulfill, and also includes government, banks, funding agencies, a health care services network apart from insurer, MFI or NGO and clients.

Some of the areas highlighting the scope of future research have been highlighted to study the Operational aspects, comparison among various tools of microfinancing, Women Empowerment, Risk Management, Product designing and Cross national studies.