A Review on MFIS Efficiency & its Impact Scenario

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ABSTRACT

Microfinance sector is the most promising market which records the highest growth rates globally since 2002, the growth rate of over 50 percent in a year which beats the communication industry. In India Microfinance institutions have emerged as an important stakeholder in the microfinance sector in lending to the poor. Today MFIs being operated efficiently to remain sustainable by extending their loans to Bottom of Pyramid & below Poverty line people, the deprived segment, the prime target of the microfinance industry under the concept of financial inclusion, even though it has been slowdown by the regulations and crisis (In Andhra Pradesh). Malegam committee report shows that between 2007 and 2010, the number of outstanding loan account serviced by MFIs is reported to have increased from 10.04 million to 26.7 million and outstanding loans from about Rs.3800 crores to Rs.18344 crores. The researchers/researches have empirically proven that MFI's are efficient in nature and it has a significant impact on the societal & financial upliftment of individuals and groups (women).This paper presents a review overview of MFIs efficiency and its impact on double-bottom line. This review paper consolidates list of propositions that enables further research in MFIs.

Introduction

With near three billion people living in abject poverty, the fight against global poverty has gained international attention and thus UN has launched the Millennium development goal of halving extreme poverty by the year 2015 and thereby MF & MFIs gain importance for market entry and reach, along with financial inclusion which was the base-line of MF. This attracts researchers in the arena of MF & MFIs that would express the real status and enhance the living standard of bottom-line people. With this as a priority this paper reviewed various articles. Here the paper brings out the concepts of Microfinance followed by the focused literature reviews.

(Daley-Harris, 2009) pointed out that MF programmes reached 154 million people in all sorts of country and environments. Among these 110 million of these clients are women, 107 million are considered "poorest clients" with reference to the report of Microcredit Summit Campaign. (Hanohan, 2006; Kunt & Peria, 2007) pointed out that in the least developed countries, between 70% and 80 % of the population do not have access to the banking services. And also the shortcoming of Macro effects lead the way for MFIs and been celebrated as a tool for economic development. And then The United Nations, World Bank, regional development banks and philanthropists have all jumped on the

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microfinance bandwagon. "The process of ensuring access to appropriate financial products and services needed by vulnerable group such as weaker sections and low-income groups (referred as BOP, Double-bottom line)at an affordable cost in a fair and transparent manner by mainstream institutional players (Financial Inclusion)". As social marketers, MFI can unveil product innovations which would provide clients a wider set of financial management tools (Dunn, 2002) and improve the quality life of the BOP. (Francis sinha, 2009) represented India in SAARC countries meeting presented the State of Microfinance in India, he pointed out that MF has been a development and economic tool which has helped in bringing about financial inclusion in India. MF is providing financial services and credit to the underprivileged and unbanked sector in India thereby bringing about financial inclusion. MF services refers mainly to small loans, savings mobilization, credit, payment facilities, remittances, insurance and training in micro enterprise investment services extended to poor people to enable them undertake self employment projects that generate income.

NABARD defines that Micro finance is the provision of thrift, credit and other financial services and products of very small amounts to the poor enabling them to raise their income levels and improve living standards. (Morduch, 2000), defines Microfinance -"as the provision of financial sources and loans to the poor in which sum of money loaned out and it's repaid in small installments over a certain period of time".

MFIs are significantly smaller in size, limit their services towards poor households and often provide loans without collateral. (Cull, Morduch, Asli, 2007) mentioned about the prevailing lending methodologies followed by MFIs and classified the same under three categories 1)Group- Lending in which the group constitutes 5- 10 members 2) Village banking model (Same as Group- lending but the group constitutes around 40 members and more) 3) Individual-based lending. A unique facet of MFI is that the loan principle per case is fairly small. (Bornstein, 1997) says that the primary impetus the creation of MFIs was to alleviate poverty in the developing world. Most MFIs depend on donor funds and are not-for profit oriented organizations that share a common bond among the members. (Brau & woller, 2004 insisted that an efficient MFI management should promote the following two operational objectives 1) MFI should act as financial intermediaries to poor households, known as "Institutionist Paradigm (woller et al, 1999)" and they should have a goal which can be defined as the "Welfarist Paradigm" which includes a focus on poverty alleviation and depth of outreach along with achieving financial sustainability. MF services that are intended to produce a variety of economic, social and political outcomes are often distributed through the groups. The advent of MFIs in the Microfinance sector appears to have resulted in a significant increase in outreach and the credit made available to the sector. (Hausan, 2010), says that the reason behind success of MF and highlight that it's only having no collateral against loans. This paper is a review paper which brings out the propositions from various literatures reviewed on MFIs Efficiency and its impact on poor people.

Purpose of the study

MFIs are being celebrated as a tool for economic development through the supply of savings, credit, loans, deposits and other financial services to the financially excluded people. This review article focuses on mapping out the propositions from the literatures reviewed on the efficiency of MFIs and the Impact of MFIs on double-bottom line.

With this in the mind, this review article is believed to serve as a research note for the doctoral research.

Objectives

To list out the propositions for research on MFIs.

To study the literatures related to impact of MF programme on socio-economic status, empowerment, living standard, and poverty reduction of BPL

To understand the findings and managerial implications of Efficiency of MFIs among the reviews referred.

Methodology

The research design of this review article is conclusive and the data collection is purely secondary. The EBSCO (88 Papers), PROQUEST (46 Papers), Google Scholar (26 papers) databases yielded totally around 160 papers. This includes research papers, articles and thesis on MF, MFIS and its impact. The literatures collected for this review paper include papers from year 1984 -2012. These articles covered various aspects like Impact of MFI, efficiency of MFIs, efficacy, financial inclusion etc..,. Appropriate tables were drafted highlighting the contents of the literatures studied. The findings of the articles were consolidated and propositions are derived.

MFIs efficiency

(Charnes & Cooper, 1985) explains that 100% efficiency is attained for a unit when (1) None of its output can be decreased without either increasing one or more of its inputs or decreasing some of it other outputs (2) None of its inputs can be decreased without either decreasing some of its outputs or increasing some of its other inputs. (O'sullivan & Sheffrin, 2003) says that efficiency is using available sources in such a way that we maximize production of goods& services. (Koopmans, 1951) explains that technical efficiency represents the capacity and willingness of an economic unit to produce the maximum attainable output from given set of input & technology. (Mersland & strom, 2009) find a significant increase in performance with an increase in competition, since new entrants force the MFIs to drive down the cost and increase efficiency. (Lensink & Mersland, 2009) find that MFIs only offering financial service are more efficient than MFIs combining financial services with social services.(Farrington, 2000) identifies number of accounting variables to reflect efficiency of MFIs are AER, number of loans per officer, loan officer to total staff, portfolio size, loan size, lending methodology, source of funds, salary structure as the efficient drivers. Microfinance Information Exchange (MIX) states that MFI characteristics & Country Characteristics are the efficiency drivers. (Latourcade, 2005) use Cost per borrower & Cost per saver as a measure of efficiency. A study by (Gonzales, 2007) shows that MFI efficiency is strongly related to age and that increases substantially over the years. (Muir & Ahamad, 2006) find that size of a MFI is significant and positively correlated with efficiency measures implying that as size of MFI increases, cost decreases due to economies of scale. Inefficient MFIs shift their loan portfolios towards larger average loans in order to increase efficiency, indicated by (Merslan & Shem, 2008). (Arsyad, 2005) in his study suggests that low salary cost leads to higher efficiency.

(Berger et al, 1993) argues that MFI becomes more cost-efficient, the better it can reduce cost reduction by improving the allocation or technical use of inputs or both. (Micro banking bulletin, 2005) reveals that MFIs efficiency maybe a result of maintaining high productivity per employee level. (Baumann, 2004) suggests that credit officer ratio influences more on efficiency. (Baumann, 2005) found the relation between MFIs efficiency & its productivity. Economic theory assume that production takes place in an environment in which managers attempt to maximize profit by operating in the most efficient manner (Evanoff & Israeilvich, 1991). (Christen et al, 1995) state that ratio of many successful institution lies between 4 to 16 percent of average portfolio outstanding. (Ledgerwood, 1999) points out that efficiency is key factors shaping the financial viability. (Haq, Skully &Pathan, 2009) 4/13 bank-MFIS are technical and scale efficient. 6/12 NGO MFIs are most effective and 5/12 are technical efficient among targeted samples. As microfinance has developed from being small and narrow donor dependent activity into becoming an industry, more focus has been put on the need for efficient operations (Baumann, 2004; Hermes, Lensink, Meeslers (2008) & Gayyum (2006)).

S.No	AUTHOR	TITLE	MAJOR FINDINGS
1	Lincoln Arsyad (1995)	An assessment of MFI performance	Use of local communities in its operations whose remuneration is based on performance & low transaction costs has resulted in a high efficiency
2	Jorge.R.Gregoire & Ramirez tuya (2006)	Cost Efficiency of MFIs in Peru	MFIs with largest asset posses high Efficiency.CE of MFIs affected by loan size, net assets, financial sufficiency, leverage & business performance
3	Article- Finance & Common Good (2007)	MF – Performance & Efficiency	Not all financial self sustaining MFIs are necessarily also efficient.Donors-More of Poverty Impact/financial performance but never efficient towards social & financial performance goals
4	Komlan redzro & Mariam Keita (2009)	Assessing the Efficiency of MFIs using DEA	High average of MFI efficiency score isn't an overall good performance but rather MFI performance level is similar in the same country
5	Rebecca Schaff (2010)	Financial Efficiency or Relational harmony	Relational harmony within groups for friends & social support affects FE
6	Garmaise & Natividad(2010)	Information, the cost of credit & operational Efficiency	MFIs are efficient when they have higher client to credit officer
7	Tarun Bhaskar, Gopi Subramnaiam (2010)	Loan recommender system for MF loans	Implementation of Software reduces TAT does operation efficiently in efficiency
8	Zohra Bai, Shyamlal Devpandy (2011)	Comparison of MFIs with commercial banks in India	Operational Expenses to total funds are higher for MFIs due to training expenses on borrowers, staff & delivery model leads to less efficient

9	Haq, Skully & Pathan (2009)	Efficiency of MFIs - A DEA analysis	MFIs which are able to expand their poverty outreach(output oriented) able to achieve operational sustainability (Input oriented)
10	Baumann(2005)	Pre-poor Microcredit in South Africa	Inequality in South Africa accounts reason for less efficient.
11	Omid Hariif (2008)	Can MF eradicate Poverty?	Access of credit from MFIs are sufficient enough to help the poor
12	Debdatta Paul (2010)	Measuring technical Efficiency of MFIs in India	10.6 % inputs can be decreased without affecting output level leads efficient in Gross loan portfolio18 % of GLP increase in output by utilization of no of credit officers & cost per borrower
13	Finance & The Common Good (2006)	Towards a performance assessment of MFIs in Europe	MFIs having more efficient systems enable them to spend more time on promoting their services, resulting in more enquiries.
14	Brigita Baltaca & Mavrenko (2009)	Financial Co-operation as a low-cost tool for effective Micro financing	Micro-credit in Europe Financial achieved Financial activity efficiency ratio of 87 %
15	Pisani & Yoskowitz (2010)	Efficacy of MF at the Sectoral level- Nigeria	MFI Pulperias start-up their own business than non-MFI Pulperias
16	Caudill, Gropper, Hartarska (2009)	Which MFIs are becoming cost-effective with time?	MFIs – A more cost-effective over time less reliant on subsidies.Subsidies reduce Incentives to pursue cost-efficiency.
17	Adrian Gonzalez (2007)	Efficiency Drivers of MFIs	Loan size, Age & Scale are the Efficiency drivers
18	Hermes, Lensink, Meesters (2009)	Financial development & the Efficiency of MFIS	Group loans or mix of different type of loans is positively associated with MFI efficiency. Trade-offs between outreach & efficiency remains to be supported as well, although the outcomes are weaker. Economies of scale relating to lending contribute to improving efficiencyImproved regulation & Supervision of MF Positively contribute to the Efficiency
19	Meberg & Mirsad Krpo (2009)	Efficiency drivers in MFIs	MFIs should increase the no of credit clients per credit officer and increase in no of credit officers relative to management staff in order to increase the overall cost-efficiency. Higher average loan amount have a large impact on the overall efficiencyMFIs operating in both rural and urban markets are more efficient than MFIs operating in urban markets.

20	Farrington(2000)	Efficiency in MFIs	Increased loan officer productivity and portfolio quality help reduce total administrative and provisioning expenses yield increment efficiently
21	Annim (2010)	MF Efficiency trade-offs and complementarities	Scale Efficiency is associated with the operations and normally aligned with the role of top/management.Irrespective of MFIs objective & estimation technique OSS indicate a positive relationship withefficiency.

MFIs impact scenario

MFIs impact on double-bottom line and Impact on MFIs been discussed here. Impacts of MFI on people are at different levels like Poverty reduction, empowering women, specifically impact on their Socio-Economic conditions. (Yinusa, 2006) says that MF as an amazingly simple approach that has been proven to empower very poor people around the world to pull themselves out of poverty.(Copestake, 2007) says that MFIs fulfill the double-bottom line by developing appropriate strategies in response to client's requirements.(Tchakoute, 2010) found that the performance of MFIs encompasses portfolio quality, profitability, social performance and organizational performance.(Pawl & Matul, 2004) says that MFIs in fact, a combination of financial and social performance indicators can increase financial returns in the long run through a better understanding of target clients and the efficient allocation of scarce resources. High Interest & inflation affects the profitability of MFIs.

Poverty Reduction

Aluko(1972) & Sen(1987)) defined poverty as lack of certain capabilities, such as being able to participate with dignity in social endeavors.(Yunus, 1989) defines that, the aim of all MF development assistance should to be assist in reducing poverty. (Chambers, 1992) defines poverty in five dimensions as follows (1) Poverty Proper (2) Physical weakness (3) Isolation (4) Vulnerability (5) Powerlessness. (Karnani, 2008) says that MFIs are improving the daily-life for millions of people around the world and it has in the latest years been fronted as the "Silver Bullet" in the fight against poverty. (Mawa, 2008) sees MF is an innovative step towards alleviating poverty. (Simanowitz, 2003) with use of PAT found out that in India three-fourth of MFIs shows significant economic improvement and half the clients out of poverty. In Indonesia, it's evident that 93 % of MF members ate three meals a day by the study done by Drivadisuzo et al, 1999. In turkey, MF into micro-credit is a powerful tool said by (Gurese, 2009). (Ghirman, 2006) says MF as founding stone for poverty reduction. (Kumar, Bohra & Johari, 2008) says that MF is only way to overcome poverty in India. (Osuala et al, 2009) says that poverty is not only on the increase, but also wide spread in many developing countries.(Selbel, 2003) proved that in the survey that MF is that Chemical through which the germ of poverty can be killed((Modruch, 2002) studied the impact of MF on poverty reduction using micro-credit assets, family-size, education are the influencers of income level of individuals and households. (Khandke, 1998) says that poverty alleviation is the cornerstone of many MF initiatives.(Navajas et al, 2000) says that the professed goal of micro-credit is to improve the welfare of the poor as a result of better access to small loans. In the extensive research done by

(Murdock & Haley, 2002) found that there is a plenty of positive impact of MF on "Poverty reduction" as it relates to ("the first six of seven") millennium development goals.(Mina & Alam, 1995) says that 82 % of respondents had self-sufficiency of food after joining MFI, before it was 18 %

Socio-Economic condition

Social performance is commonly defined as "effective translation of institution's social goals into practice in line with accepted social values". (Kabeer, 2001 & mayoux, 2002) argues that the social impact associated with MF, such as women's empowerment, children's education and family welfare have been attributed to the social capital formation.(Swain, 2004; Mordich, 2009) says that MF has a definitive impact at the individual and household.(Barnes, 1996) examined 32 studies on the impact of Mf programmes and observed that asset accumulation is incremental and that successive loans lead to build up of enterprise and households. (Whandkar , 1998) comes to the research as an economist looking at the scope of credit as a poverty-fighting tool that has some socio-economic impacts. (Khandker, 2003) in his study on 3 MFIs found that at the micro level, MF raised per capita consumption, mainly with respect to non-food and household non-land assets and thereby increase to lift themselves above the poverty line(Barnes and Keogh, 1999) found that participation in MF programme results in economic welfare of the household, increased empowerment of women and strengthen social networks. (Simanowitz, 2002) argues that it is not the poverty level of potential clients that determines access and impact, but the design of services provided. (Dadich, 2001) stated that effective implementation of MF can be a means not only to alleviate poverty and empower woman but also be viable economic and financial proportion. (Panjaitan & Drodisuryod, 1999) studied in Indonesia, found that 90 % of sample clients of BRI increase their income by 112 % and this family exceeds the poverty line. (Kehinde & Akinlabi, 2011) discovered that significant difference in income between participants and non- participants of MFI.

Empowerment

Empowerment has been defined as "the process of increasing capacity of individuals or groups to make choices and to transform those choices to desired actions and outcomes". And empower have been attributed as following kinds

(1) Power within – Self-confidence, Financial Confidence, Challenge gender norms

(2) Power to – Autonomy in decision making, Contribution to household, Parner relationship

(3) Power Over- Social group membership, collective action

(Zaman, 1998) defines women empowerment into three classifications are (1) Women's ownership and control over assets (2) Women's general and legal knowledge (3) knowledge on fertility and mobility of women. World Bank defines Empowerment as "the expansion of assets and capability of powerless people to participate in, negotiate with, influence, control and hold accountable institution that affect their lives". (Rowlands, 1997) defines women empowerment as "the process whereby women are able to organize themselves to increase their own self-reliance, to assess their independent right to make choices and to control resource, which will assist in challenging and eliminating their own subordination". Drawing on Narayan (2002), Benett describes Empowerment "as the enhancement of asset and capabilities of diverse individuals and groups to engage, influence and hold accountable the institution" which affect their Economic condition, well-being and Socio-political situation.(Ashraf et al, 2006) defines women empowerment as women's decision-making power. Aclerley (1995) insists that 'Accounting knowledge"' & Goetz & Gupta, 1996 insists that "Household dynamics" as an indicators for Women empowerment. (Rao & Calleter, 1995)- Capacity of women to become economically self-reliant with control over decisions affecting their lives and freedom from violence. (Goetz & Sen Gupta, 1996) use an index of loan control as a proxy for empowerment and argue that loss of control over the loan reflects a lack of empowerment.

(Javed et al, 2006) reported that micro-credit scheme was served as a better tool for empowering female and raising their living standards. (Hashmi et al, 1996) found that participation in credit-programs increases women's mobility and their ability to make purchases and major household decisions, their ownership of productive asset, their legal and political awareness and participation in public campaigns and protest.(Chrisren and Kuhn, 2002) states that Although MF does not address all the barriers of women's empowerment, it has a positive impact on decision-making in family planning , girl's education, buying and selling property.(Sanyal, 2009) find that securing the loan women outside the home by fostering their ability to focus collective action.

S.No	AUTHOR	TITLE	MAJOR FINDINGS
1	Haan & Lakwo (2010)	Redefining the MF impact of MF in Africa - Business change or Social Emancipation	Social Emancipation should be pursued in its own right rather than waiting for poverty reduction.
2	Akram & Hussain (2011)	Role of MF in uplifting income level	86 % of the targeted samples income level has been increased after getting Mf facilities and improving their living standard.
3	Zahoor khan, Azam & Alam Khan (2011)	Estimating the impact of MF program of Islamic Relief on the Socio-Economic marginalized segments	Individual who become MF client is more than 6 times likely to have her monthly earnings at least Rs 5100 And more than 10 times likely to have social interaction than those who are the non-client of MF
4	Ramu Maurya (2011)	Women, MF and Financial Inclusion	Financial Inclusion needs to be comprehensive and holistic as opening up of a no-frill accountEnsures safety of savings and access to credit which encourage them to access different financial products and services.

5	Radhika & Anupriya (2001)	An empirical study on the impact of MFIs in enhancing SHG in Karur	Positive impact on specific socio-economic variable such as children's schooling, household nutrition and themselves feel they are empowered
6	Sarahat salma & sitat aditya	Microfinance and women empowerment	Women participating in MFI have better significant results in terms of both individual and household level outcomes than eligible non-participant
7	Priyanka & Robert (2011)	Marketing strategies and social performance outcomes	Product development and positioning strategy have a stronger impact on social performance compared to service delivery and client-relationship strategy elements.
8	Priyanka & Robert (2012)	Impact of Marketing strategies on the Double-bottom line of MFIs	Marketing strategies impinge on the social performance outcomes of MFIsMarketing strategies have a significant impact of MFIs financial self-sufficiency.
9	Al Azaam, Mimouni & Abu ali (2012)	Impact of socio-economic factors and financial access on MFIs	Negative impact of fertility on the MFIs performance Access of deposit may affect the overall economic activity and trust in the financial system in return may help MFIs expansion and sustainability.
10	Susanna Khauel (2010)	MF- Creating opportunities of the poor	MF may empower women outside the home action
11	Halilbasic, kenan ernkic, (2011)	Managing Social Performance - A case of MF	PRIZMA- manage the double bottom line, that is to balance successfully in a long term financial and social objective
12	Aigbokhan & Asemota (2011)	An assessment of Mf as a tool for poverty reduction and social capital formation	Argued that savings and credit provision in itself is assumed to contribute to a process of individual economic empowerment through enabling women to decide about savings and credit use
13	Alberto Lanzavecchia (2012)	Is MF targeted to poor people - Evidences from a Cambodian MF institution	MFI have full range of financial data available to support donors and investors funding process. But little evidences in how they are performing against their social goals
14	Mohammad Kamal Hossain (2012)	Measuring the impact of BRAC MF operations A case study of available	Impact on savings and improvement of borrowers dwelling house's is less significantVolume of monthly savings is not significant but the attitude towards savings is noticeable.
15	Hamdani & Hummayun Naeem (2012)	Impact of MF on Social mobility, an empirical evidence from Pakistan	Mf scheme uplifted social mobility that helped people to enhance their living standards and providing them financial opportunities

16	Chandra kumaramangalam & Vetrivel (2012)	Impact of group-based MF on rural households in India	Target households had registered 11.41 % higher average annual income as combined to that of the control households
17	Ondoro & Omena (2012)	Effect of MF services on the Financial empowerment of Youth in Migori country	Positive Impact - Starting up their business like Brick or Block making82 % were said that their needs were met after joining MF37.5 % increase in their savings, 6.2 % decrease, 56.3 % said no change in their savings after joining MFIs
18	Stevina.U. Fuuleocha (2011)	Marketing the UN/ OSCAL framework as a MF model	UN/OSCAL devoted to providing financial services directed at the under privileged potentially spell hope for many in the third world
19	Babajide Abiola (2011)	Impact analysis of MF in Nigeria	More impact and development on micro-credit business
20	Audu and Achegbulu (2011)	MF and Poverty Reduction	MF banks tend to concentrate their operations in urban and semi-urban towns instead of rural areas where the poorest of the poor are concentrated
21	Daaniel Makina and Malobola (2004)	Impact assessment of MF Programs, lessons from Krula Enterprise	Impact study shows that lower-income communities in rural areas have benefited less than their not so –poor counterparts in the urban areas.
22	Khasif Khan et al (2011)	Role of MF in reducing poverty- A look at Socio-Economic Factors	80.88 % of respondents were in the opinion that MF is very helpful tool in getting prosperity
23	Urmila menon (2011)	Role of SHG-Bank linkage model in Women Empowerment	Overall effect on the income and poverty rates of MF clients is less clear, as all the effects of MF on measures of social wellbeing such as education health & empowerment.
24	Sana eshan & nadia asghar (2011)	Issues in the growth of MF banks; Impact of customer, internal, external environment	Issues :Customers-47% Internal-41% External-12%
25	Prema Basergekar (2007)	Economic Empowerment through MF	Economic Empowerment is considered as a pre-requisite of other remaining empowerments
26	Mitali Sen(2011)	Assessing social performance of MFIs in India	78 % of respondents from rural and outreach is more on rural and to specific communities like SC/ST
27	Ana Marr(2002)	Studying group dynamics	Group dynamics lead to high loan repayment than joint-liability lendingNot through the harnessing of local information but through tougher social sanctions and greater exclusion of the poorest & weakest members.

28	Katie wright & James Copestake (2004)	Impact Assessment of MF using qualitative	Communication between Social scientists and Practitioners Represents a negotiated compromise between both the canons of social science and the needs of MFOs for methods that are cost-effective and replicable
29	Sujata shetty(2010)	Microcredit, poverty and Empowerment	At individual level- Financial literacy, Poverty Alleviation, Access to credit& savingsAt household- Increase in Decision-making
30	Amjad saleem et al	Impact of MF in raising the living standard	Collective Impact on individuals (Education, health and education) found 100% significant at F= 26.290
31	Robert cull et al	Financial Performance & outreach	Financially self- sustaining individual-based lending tends to have smaller average loan size and lend to more women
32	Syama, Junakar & Molike (2009)	Factors influencing women's empowerment on microcredit powers	Borrowers are better at decision making compared to non-borrowers
33	Jothi.V.N (2010)	Socio-economic Impact- Micro financing of SHG	52 % use for business purpose80 % repaid on time
34	Pitt & Khandler (2006)	Empowering women with MF	Credit programmes lead to women taking great sole in decision making, greater access to financial services, social networks, bargaining power & freedom of mobility
35	Kate Maclean(2010)	Capitalizing on Women's social capita	Income generation does not always reflect the way that women are economically developed
36	Nouman, Faisal khan & Khattal (2011)	Availability of MF & its impact on economic growth	Being MFIs haven't selected their operations in rural areas in Psyber (Pak), overall impact is very low.
37	Baliswain & Walletin (2009)	Does MF empower women- Evidence from SHG's in India	Strongly empowered by MFIs in the sense that they have a greater propensity to resist existing gender norms and culture that restrict their ability to develop and make choices
38	Bikbaeva & Gaibnazarova (2009)	Impact of MF on alleviating Poverty	Demand for MFIs in central Asia is quite high.Being services are used not only to the poor and support small business but also to develop backward regions
39	Goiria & Coitisolo (2010)	Profitability & social performance of MFIs	Size and outreach doesn't influence social performance
40	Setboonsarang & parpiev (2008)	MF & Millennium development goals in Pakistan	Kushali bank is more effective by 76% increase in income of their client base
41	Jyothi Basu	MF & Women Empowerment	Awareness & Information Empowerment- Kerala (92 %) 56 % says that control of loansover their husband Overall level of Empowerment–Kerala-78% Tamilnadu-77%

Propositions

Propositions are statements specifying conjectural relationships between concepts. The statements of a proposition are only a statement of prediction. It is only logically true if its specification is based on a procedure that follows logical reasoning (Pawer, 2009).

The above literatures reviewed gave an insight for the below propositions.

- Productivity ratios (Credit officer ratio) of employees have a positive impact on MFIs Efficiency.
- Loan size is major driver for penetration of MFIs.
- Efficiency of MFIs is aligned with Operational Expenses Ratio (OER).
- BPL's financial status would have a positive relationship with the advent of MFIs.
- Microfinance services impact positively on BPL's demography.
- MFIs potentially influence on women empowerment.

Conclusion

This review article has consolidated the research efforts on MFIs efficiency and its impact on double bottom-line such as increase in income of individuals and households, poverty reduction, financial literacy, living standard, social interaction, financial self-sufficiency, social well-being, access to credit and savings and women empowerment all in the context of Impact and ratios such as Operational expenses ratio, administrative expenses ratio, credit- officer ratio and the credit officer ration in the context of MF efficiency. The reviewed literatures were presented in the table that highlights the findings and managerial implications. Through this new propositions were arrived for further research. These propositions would give an insight for new researchers to carry out their research in MFIs