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Women and Microfinance in Sri Lanka

Karunarathne R.A. R[1] , Shyamali. W.M.W[2], Wijetunga. W.T.D[3] & Sampath. K.G. N.L[4]

[1]Research Scholar, Department of Sociology, University of Mangalore

[2,3] Lecturer, Department of Sociology, University of Sri Jayewardenepura

[4] Assistant Lecturer, Department of Sociology, University of Sri Jayewardenepura

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ABSTRACT

This research aims to evaluate the effectiveness of microfinance initiatives in promoting economic empowerment, social development, and financial inclusion among female beneficiaries in Sri Lanka. The study sets out three specific objectives to comprehensively analyze the impact of microfinance on women in the country. It examines into the economic effects by examining aspects such as income generation, saving behavior, and entrepreneurship success, aiming to quantify the contribution of microfinance to economic empowerment. Also, it assesses improvements in education, healthcare, and community involvement, thereby measuring broader societal benefits and obstacles associated with female participation in microfinance initiatives and finally the research investigates factors influencing the success or challenges faced by women in accessing and utilizing microfinance service. The research methodology involves a thorough secondary data analysis, leveraging existing literature, reports, and relevant statistical data. A systematic search across academic databases, government publications, and reputable international organizations' reports provides insights into the historical context, current state, and trends of microfinance initiatives in Sri Lanka, particularly focusing on their impact on women. Result discuses that the microfinance has been impacted on rural women unwholesomely in Sri Lanka and it has become debit pitfall. It is collectively emphasized the need for holistic approaches, encompassing regulatory reforms, societal interventions, and a reassessment of microfinance policies to ensure they align with the goal of promoting women's empowerment and sustainable economic development.

Introduction

In Sri Lanka, the convergence of women and microfinance creates a compelling story that encompasses economic empowerment, social development, and financial inclusion. Women's symbiotic relationship with microfinance has emerged as a critical tool for resolving gender inequities and creating sustainable development. Sri Lanka's distinct socioeconomic context provides an exciting backdrop for investigating the complex impact of microfinance on women, revealing light on the problems encountered, possibilities produced, and transformative potential for both individuals and society. This investigation of women and microfinance in Sri Lanka reveals a complicated tapestry of financial resilience, community building, and gender equality in the goal of a more inclusive and equitable society.

Microcredit is the providing of tiny loans to poor people in order to assist them in engaging in productive activities or growing very small businesses. The phrase can also refer to a broader variety of services such as credit, savings, and insurance (Roodman, 2010). The concept of microfinance is not a recent development. Its roots can be traced back to 1976 when Muhammad Yunus initiated an experiment by establishing the Grameen Bank on the outskirts of Chittagong University's campus in the town of Jobra, Bangladesh. Since that time, various other microfinance organizations have emerged, employing innovative strategies to effectively reach the most impoverished individuals. Over the years, these initiatives have included providing collateral-free loans to the economically disadvantaged, especially in rural areas, at interest rates covering the full cost, with repayment in monthly installments (Khan & Rahaman, 2007). In 2006, over 3,300 microfinance institutions made microloans to 133 million customers. When they received their first loan, 93 million of these clients were designated as the most economically challenged. Notably, 85 percent of the people in the poorest category were women (Microcredit Summit Campaign Report, 2007)

Since its introduction in the mid-1970s in Bangladesh, microfinance has played a crucial role in providing financial support to the impoverished, fostering self-employment, and facilitating the creation of small businesses in rural areas. The global discourse on international development currently places a significant emphasis on microfinance. Beyond its primary function of alleviating poverty, microfinance is strategically designed to cultivate an environment conducive to enhancing the economic and social standing of women in Bangladesh.

Microfinance programs are gaining widespread recognition as effective interventions for poverty reduction and women's empowerment, both in developing nations and across the globe. These initiatives are particularly directed towards women, acknowledging their perceived constraints in accessing credit, limited opportunities in the formal labor market, and marginal influence in household decision-making. The Grameen Bank (GB) stands out as the most renowned example of a program addressing the financial needs of the poor (Hossain, 2020).

According to the World Bank (2023), 7% of the world's population, or 648 million people living in developing countries in extreme poverty, lived on less than US$2.15 a day. According to the World Bank report (2023)"Taking on Inequality", South Asia has a significant extreme poverty rate of roughly 10%. In Sri Lanka, the poverty head count ratio was 14.3% in 2019, with a monthly income of Rs. 6,966. The poverty line in December 2022 was Rs. 13,777, and poverty is expected to rise dramatically in 2022 as a result of the financial crisis. However, women's unemployment in Sri Lanka was 7.9% in 2021, while men's unemployment was 3.7%. Women account for 51.6% of Sri Lanka's total anticipated population of 22 million in 2021. However, women make up only 31.8% of the economically active population of 5.6 million people (Census, 2022). The global microfinance market, valued at US$156.7 billion in 2020, is expected to reach US$304.3 billion by 2026, driven by its focus on providing financial services, particularly microloans, to low-income individuals. The industry aims to empower the unbanked population, fostering economic growth and poverty alleviation. In response to the Sustainable Development Goals, efforts are now aimed at extending financial inclusion in other sectors. The Asia-Pacific region dominates the microfinance market, with China emerging as the fastest-growing region, with a CAGR of 13.6% (Globe Newswire,2022).

Growing concerns surround the mounting issue of accumulating debts, particularly impacting households led by women in the Northern and Eastern regions. In the aftermath of war and within agricultural communities, women who availed microfinance (MF) loans for self-employment endeavors now face challenges in competing in the market, often succumbing to the pitfalls of indebtedness. The situation exacerbates as individuals, unable to meet repayment obligations, resort to obtaining multiple loans, further amplifying social and economic challenges within their families. The issuance of loans by both MF businesses and informal money lenders in these areas seems to exploit the financial vulnerability of less informed segments of society, with reports indicating the widespread use of unethical methods to collect overdue payments from borrowers, thereby compounding the already precarious situation (Gomez & Perera, 2018).

Literature Review

What is Micro finance

Microfinance services are provided to individuals facing poverty or limited financial resources, as they often lack the necessary income to engage with conventional financial institutions for business purposes. This initiative is targeted at unemployed or low-income individuals, aiming to bridge the financial gap and offer them access to essential financial services (Kagan, 2023). Two models describe how microfinance works: Relationship-based banking was the norm for individual entrepreneurs and small enterprises. Services for a group, in which numerous persons create a group to apply for a loan collectively (CFI team, n.d). Microfinance is a specialized financial method that aims to provide small-scale financial services to individuals, typically those who do not have access to traditional banks. Microfinance, which focuses on financial inclusion, provides small loans targeted to the needs of low-income clients, encouraging activities such as entrepreneurship and income generation. Microfinance frequently includes non-collateralized loans, group lending arrangements, and financial education components. Microfinance strives to economically empower individuals, foster self-sufficiency, and help to poverty eradication by reaching out to marginalized communities, notably women in rural areas. Despite problems and critiques that need continuing modifications in its implementation, this financial strategy plays a critical role in encouraging financial inclusion and having beneficial social benefits.

Micro Finance in World Scenario

Since its inception in the 1970s as part of the Grameen Bank model, the concept of microfinance has evolved as a critical component in fostering financial inclusion. Microfinance enables low-income households to overcome deprivation by offering financial services and microcredit that help with income production, livelihood improvement, and community integration. The microfinance industry primarily caters to rural and marginalized communities, particularly women, as well as small and micro businesses, with the goal of encouraging self-sufficiency among them. As of 2018 women accounted for 80% of the microfinance industry's entire client base of more than 140 million borrowers worldwide ((Price Waterhouse Coopers Private Limited, 2023). Microfinance is experiencing substantial growth across all three tiers of the financial system in Africa, encompassing micro (financial service providers), meso (support service providers), and macro (policy, regulatory framework, and supervision) levels. The micro level witness's active involvement from numerous stakeholders, alongside heightened attention from banks and individual investors. While banks continue to be the primary source for mobilizing savings, microfinance institutions (MFIs) are becoming increasingly influential, especially with a robust credit union membership. MFIs are expanding their service offerings, including training and auditing, at the meso level, indicating a broadened scope of operations. Furthermore, there is observable evidence of associations actively coordinating MFI activities. At the macro level, countries are gradually transitioning towards a pro-market policy paradigm, concurrently developing regulatory and supervisory systems to support the burgeoning microfinance sector (United Nations Office of the Special Adviser on Africa,n.d).

The Reserve Bank of India recently published its 26th Financial Stability Report (December 2022). The RBI stated in the study that credit to the microfinance industry has expanded steadily. However, the report emphasized the increasing stress levels in the loan portfolio (i.e., bad loans). The proportion of debts that are more than 90 days past due has grown to 14% in September 2022, up from 12% in March 2022. Microfinance is regarded as a powerful tool for ensuring balanced and equitable growth, particularly by giving financing to rural populations and small entrepreneurs ((ForumIAS, 2023).

Micro Finance in Sri Lankan Context

There is currently no clear policy direction from Sri Lanka's central bank that recognizes the microfinance sector (Intellecap, n.d). Microfinance services in Sri Lanka have a broad geographical reach, although private operators, including NGOs and commercial banks, have a more limited presence in rural areas. Although Microfinance Institutions (MFIs) have reached the poor and poorest sections, a considerable number of their clients appears to come from non-poor categories. Microfinance has assisted households in the middle quintiles to increase their income and assets; it has assisted the very poor to increase their consumption expenditure; it has instilled savings habits among the poor; it has served as a tool for consumption smoothing across almost all income groups; and it has assisted women to improve their social status and economic conditions.

The past decade, numerous endeavors have been undertaken to institute legislative measures aimed at overseeing unregulated entities within Sri Lanka's microfinance sector. Ultimately, the Parliament enacted the Microfinance Act, No. 6 of 2016, which came into force on July 15, 2016. This legislation imposes a regulatory framework governing the licensing, supervision, and regulation of microfinance entities, denoted as licensed microfinance companies (LMFCs). The direct oversight of LMFCs is entrusted to the Monetary Board of the Central Bank of Sri Lanka (Monetary Board). Additionally, the Act mandates that Microfinance Non-Governmental Organizations (MNGOs) registered under the Voluntary Social Services Organizations (Registration and Supervision) Act, No. 31 of 1980 (VSSO Act) be duly registered with the Registrar of Voluntary Social Service Organizations (Central Bank of Sri Lanka,n.d). Within the Sri Lankan context, the dispensation of microfinance services is facilitated through both formal and informal channels, encompassing entities such as commercial banks, regional development banks, cooperatives, and non-governmental organizations (NGOs). The informal sector, on the other hand, comprises interpersonal connections, landlords, traders, and professional moneylenders. Diverse lending modalities within this milieu encompass interest-free loans, property pawning, land mortgaging, and participation in Rotating Savings and Credit Associations. Remarkably, informal sources contribute to approximately 57% and 33% of the total loan provisions, marking a noteworthy departure from the historical landscape of 1957 when an overwhelming 92% of borrowers were reliant on such informal credit sources (Senanayake, 2002). Microfinance, recognized globally as a pivotal tool for poverty mitigation, has been implemented in Sri Lanka for several decades. Although microfinance services exhibit broad geographic coverage in the country, the outreach of private entities, including Non-Government Organizations (NGOs) and commercial banks, remains constrained in rural areas. The multifaceted impact of microfinance in Sri Lanka encompasses the augmentation of income and assets for households within the middle-income bracket, the elevation of consumption expenditure for the extremely impoverished, cultivation of savings habits among economically disadvantaged populations, facilitation of consumption smoothing across various income strata, and enhancement of social status and economic conditions particularly for women (Performance report, 2018).

Microfinance has emerged as a revolutionary force in the Sri Lankan financial landscape, encouraging financial inclusion and alleviating poverty at the grassroots level. Microfinance in Sri Lanka has historically moved from traditional banking models to more community-oriented initiatives focused on uplifting neglected elements of the society. The microfinance business has been considerably affected by government initiatives, which have provided the regulatory framework and support structures required for its expansion. Policies and regulations have been developed to achieve a balance between fostering the growth of MFIs and protecting the interests of vulnerable borrowers. The impact of microfinance on women's empowerment in Sri Lanka is noteworthy. Female entrepreneurs using microfinance to start and expand firms has increased significantly in the sector. This tendency has aided not only women's economic independence, but also the entire socioeconomic development of communities. Rural and agricultural areas are at the forefront of microfinance programs, indicating a deliberate focus on agricultural development and rural economic growth. Small-scale farmers benefit from personalized financial services that make loans, savings, and insurance more accessible.

Objectives

Main Objective

To assess the effectiveness of microfinance efforts in fostering economic empowerment, social development, and financial inclusion among female beneficiaries in Sri Lanka.

Specific Objectives

- Analyze the economic effects of microfinance participation among women in Sri Lanka.
- Examine the societal benefits and obstacles connected with female participation in microfinance initiatives in Sri Lanka.
- To provide insights for improving the design and implementation of future microfinance interventions, investigate the factors influencing the success or challenges faced by women in accessing and utilizing microfinance services in Sri Lanka.

Methodology

For this research on "Women and Microfinance in Sri Lanka" conducted solely through secondary data analysis, the methodology has involved an extensive review and synthesis of existing literature, reports, and relevant statistical data. Initially, a systematic search of academic databases, government publications, and reputable international organizations' reports have been used to gather information on the historical context, current state, and trends of microfinance initiatives in Sri Lanka, particularly focusing on their impact on women. The analysis has delved into various aspects such as economic outcomes, social implications, and the factors influencing women's participation in microfinance programs. Additionally, the technique has the potential to be used to better understand regional variances and changing patterns throughout time. The study has critically assessed the methodologies employed in previous research, ensuring the selection of studies with robust methodologies and reliable data sources. By synthesizing and interpreting the findings from diverse secondary sources, this research aims to offer valuable insights into the nuanced relationship between women and microfinance in the Sri Lankan context.

Results and Findings

This section has been focused on the selected research papers and articles which are related to publish micro finance in Sri Lanka have been nuanced examined to understand the backdrop of microfinance and women in Sri Lanka.

The research article authored by H. M. W. A. Herath, L. H. P. Guneratne, and Nimal Sanderatne investigates the profound impact of microfinance on the poverty and socio-economic vulnerability of women, while also exploring the social capital formation facilitated by group-based microloans in the context of two microfinance institutions in Sri Lanka. The study, with its emphasis on poverty, socio-economic vulnerability, and social capital, holds significant implications for both microfinance policy and practice, as well as broader policies related to gender equality.

The research employed four key criteria to assess the impact of microfinance on poverty and vulnerability among women borrowers. These criteria encompassed access, creation, and control over private resources, freedom of decision-making within the household, self-confidence in socio-economic activities, and status within the community and family. The study posited that if these criteria positively influenced a woman, then she could be deemed empowered by the microfinance received.

The initial logistic results underscored the positive interactions among group members, emphasizing the intentional nature of transactions occurring within the group. However, the qualitative survey brought to light several challenges hindering the growth of small enterprises supported by microfinance services. These challenges encompassed unprofessional business practices, lack of economies of scale, clients' risk aversion, and myopic behavior. Additionally, inadequacies in technological and business guidance, non-availability of input resources, absence of research and development initiatives, and a lack of innovation were identified as further impediments.

Moreover, the adverse natural environment, poor infrastructure, lack of markets for products, and weak market linkages and networks were identified as compounding factors negatively affecting the profitability and sustainability of small enterprises supported by microfinance services. In sum, the study not only sheds light on the positive impact of microfinance on women's empowerment but also unveils critical challenges that impede the growth and sustainability of small enterprises in this context.

Perera's (2018) empirical study on "Women Empowerment Through Microfinance: An Empirical Study on Ampara District of Sri Lanka" delves into the nuanced relationship between microfinance and women's empowerment. The research underscores the potential of microfinance to exert a substantial impact on empowering women, yet it acknowledges the variability in the degree of empowerment experienced by individuals within the sample. The study recognizes that empowerment is a multifaceted and intricate process, subject to unique variations based on individual circumstances. While microfinance may not uniformly empower all women, it is contended that a significant proportion does experience a positive impact, contributing to their empowerment.

The article emphasizes the multifaceted nature of women's empowerment, noting the importance of financial inclusion and the role of microfinance in strengthening women's economic, social, and cultural contributions within their families and communities. Perera acknowledges the complexity of power dynamics deeply ingrained in social, economic, and cultural systems. While access to microfinance is identified as a potential catalyst for women's empowerment, the study recognizes that broader societal structures and values shape power relations comprehensively. It underscores that interventions such as microfinance provision or training alone may not entirely transform existing gender and power dynamics. Furthermore, the study highlights that women often derive non-economic benefits from group-lending programs, emphasizing the significance of factors like expanded business and social networks, improved self-esteem, enhanced decision-making power within households, and increased respect within the family and community. Overall, Perera's study provides valuable insights into the complex interplay between microfinance and women's empowerment, acknowledging the multifaceted nature of the empowerment process and the broader societal factors influencing its outcomes.

Premaratne's 2011 study delves into the multifaceted impact of microfinance on women, revealing significant positive outcomes in terms of building confidence, fostering courage, skill development, and empowerment. However, a noteworthy observation from the research is the absence of tangible benefits in sustainable rural development, particularly concerning the reduction of poverty, the generation of employment opportunities, and the establishment of assets within rural areas.

Highlighting the determinants of microfinance accessibility in Sri Lanka, Premaratne's study sheds light on a range of influencing factors. The research identifies key variables such as household income levels, proximity to Microfinance Institutions (MFIs), the presence of information technology, prevailing interest rates, educational attainment, vocational training, and the availability of collateral. These factors collectively shape the accessibility and affordability of rural microfinance services, illustrating the intricate web of considerations influencing individuals' engagement with such financial mechanisms.

Amali Wedagedara's article, (2021) "Collective protest by women victimized by Microfinance: A movement with hope for the future," challenges the prevailing narrative surrounding microfinance, shedding light on the distressing experiences of women who find themselves ensnared in a cycle of unsustainable microfinance debt. Contrary to the promised development, the article underscores how finance companies, including well-known entities like Berendina, Commercial Credit, LOLC, HNB Finance, and Vision Fund, exploit low-income households. The burden of unmanageable debt has compelled women to part with their gold, household assets, and even land. Moreover, these finance companies resort to legal action against women to recover debts, exacerbating the vulnerability of microfinance borrowers. The stark contrast between the struggling borrowers and the flourishing lenders, some of whom have expanded their operations internationally, reveals a systemic imbalance in the microfinance industry.

In response to their plight, the protesting women outline five demands aimed at rectifying the injustices perpetuated by the microfinance system. These demands include the cancellation of all microfinance loans in Sri Lanka, an immediate halt to loan recovery pending an audit of predatory microfinance practices, cessation of legal actions against microfinance debt victims, removal of these victims from the Credit Information Bureau of Sri Lanka, and the empowerment of women to formulate a credit mechanism centered on social wellbeing. This collective call for change reflects a broader aspiration for a more equitable and empowering financial system.

The article contextualizes the rise of microfinance within the broader landscape of the poverty industry since the early 2000s. Originally conceived to enhance the socio-economic wellbeing of low-income individuals, microfinance attracted significant investment from international organizations, commercial banks, equity managers, and venture capitalists who viewed it as an attractive alternative to traditional aid. However, as Wedagedara highlights, the aftermath of the Asian tsunami in 2004 and the conclusion of the Civil War in 2009 led to an explosion in the microfinance market in Sri Lanka. The proliferation of micro lenders resulted in a phenomenon of multiple borrowing, leading to extreme over-indebtedness. The average microfinance borrower in Sri Lanka holds three microfinance loans, often accompanied by informal money lending and other forms of debt. The article underscores the urgent need to address the systemic issues contributing to the vulnerability and victimization of microfinance borrowers in Sri Lanka.

In the article by Jayasinha (2019) on women empowerment and microfinance in Sri Lanka, with a special focus on the Homagama divisional secretariat division, the discussion revolves around the positive impact of microfinance on various aspects influencing women empowerment, particularly in terms of education and market access. The study reveals a statistically significant relationship between the level of education and women empowerment through descriptive and regression analyses. Notably, higher levels of education empower women by enabling them to effectively apply their knowledge, skills, and attitudes in entrepreneurial pursuits. The article emphasizes the crucial role of governmental and professional guidance and sponsorship in enhancing the success of women entrepreneurs. Furthermore, the need for government involvement in educating and training self-employed women with lower levels of education is highlighted. The article underscores the potential of formal and professional guidance in developing human capital, while also suggesting that long-term success requires collaboration between the government and the private sector. This collaboration could involve introducing low-interest loans, attracting investors with broader market potentials, providing support and technological assistance, and initiating capital support programs for financially disadvantaged women. Overall, the findings emphasize the multifaceted nature of women empowerment, advocating for comprehensive strategies that address education, training, financial support, and collaborative efforts between the public and private sectors.

Maheesha Mudugamuwa's article, "Sri Lanka: Microfinance debt trap: Still awaiting reprieve" (2021), brings attention to a critical issue in Sri Lanka, where approximately 15,000 microfinance institutions are reportedly operating illegally. The author points out that despite the existence of only 54 registered companies with the Microfinance Association, the benefits provided by the government have been accessible only to those who obtained loans from these officially recognized entities. The Central Bank of Sri Lanka (CBSL) has registered only four institutions, including Berendina Micro Investments Company Ltd., Lak Jaya Micro Finance Ltd., Dumbara Micro Credit Ltd., and Sejaya Micro Credit Ltd. Mudugamuwa cites women's rights activist Radika Gunaratne, who argues that the CBSL's inaction and failure to regulate the industry adequately have led to the current predicament of microfinance institutions.

A women's rights activist, Attorney-at-Law Radika Gunaratne emphasizes the CBSL's responsibility as the apex financial body in Sri Lanka to assert control over financial institutions and address the issues within the microfinance sector. She challenges the CBSL to acquire the necessary powers and take decisive action, asserting that regulatory oversight is crucial for the well-being of borrowers and the stability of the rural economy. Despite victims' appeals for loan write-offs, Gunaratne contends that a more effective solution lies in implementing a robust monitoring mechanism for all microfinance institutions. She highlights the exorbitant interest rates as a key problem, suggesting that relief for victims should involve rescheduling loans by reducing the interest burden.

The article also sheds light on the grim consequences of the microfinance crisis, with Gunaratne noting that over 200 people have lost their lives to suicide in connection to the issue. This tragic outcome underscores the urgency and severity of the problem, emphasizing the need for comprehensive regulatory measures and support mechanisms to prevent further human suffering and economic distress. Mudugamuwa's reporting effectively unveils the complexities of the microfinance landscape in Sri Lanka and underscores the imperative for prompt and effective interventions to rectify the situation.

Conclusion

In reviewing various research papers and articles related to microfinance in Sri Lanka, a nuanced examination has been undertaken to comprehend the intricacies of the relationship between microfinance and women in the country. The selected articles highlight both the positive impacts and challenges associated with microfinance initiatives, providing a comprehensive view of the subject.

One study by Herath, Guneratne, and Sanderatne focuses on the profound influence of microfinance on poverty and socio-economic vulnerability among women. The research delves into social capital formation through group-based microloans, offering implications for microfinance policies and practices, as well as broader gender equality policies. The study's criteria for assessing the impact of microfinance on women include access, creation, and control over resources, decision-making freedom, self-confidence, and social status. While positive interactions among group members are evident, the qualitative survey reveals challenges hindering the growth of small enterprises, such as unprofessional business practices and inadequate technological support.

Perera's empirical study explores the nuanced relationship between microfinance and women's empowerment, recognizing the multifaceted nature of the empowerment process. The study emphasizes the importance of financial inclusion and the role of microfinance in strengthening women's economic, social, and cultural contributions. However, it acknowledges the complex power dynamics embedded in societal structures, highlighting that microfinance alone may not entirely transform existing gender dynamics.

Premaratne's study investigates the multifaceted impact of microfinance on women, revealing positive outcomes in terms of confidence-building, courage, skill development, and empowerment. The research also identifies key factors influencing microfinance accessibility in Sri Lanka, including household income, proximity to Microfinance Institutions (MFIs), technology, interest rates, education, vocational training, and collateral availability.

Wedagedara's article challenges the prevailing narrative on microfinance, shedding light on the distressing experiences of women trapped in unsustainable microfinance debt cycles. The article reveals exploitative practices by finance companies, leading to severe economic consequences for borrowers. The collective protest by affected women calls for systemic changes, reflecting a broader aspiration for a more equitable and empowering financial system.

Jayasinha's study focuses on the positive impact of microfinance on women's empowerment in Sri Lanka, particularly in terms of education and market access. It highlights the significant role of governmental and professional guidance in enhancing the success of women entrepreneurs. The study also underscores the need for collaboration between the government and the private sector to ensure long-term success.

Mudugamuwa's article raises concerns about the proliferation of illegal microfinance institutions in Sri Lanka and the lack of regulatory oversight. It emphasizes the urgent need for the Central Bank to assert control and implement effective monitoring mechanisms to address the issues within the microfinance sector. The article also highlights the grim consequences of the microfinance crisis, including the loss of lives to suicide, emphasizing the severity of the problem.

In conclusion, the synthesis of these studies provides a comprehensive understanding of the multifaceted relationship between microfinance and women in Sri Lanka. While highlighting positive impacts on empowerment, the studies also bring attention to challenges, exploitative practices, and the urgent need for effective regulatory measures to ensure a fair and equitable microfinance landscape in the country.

Suggestions

The following are suggested to execute well establish microfinance scheme in Sri Lanka to avoid the exploitation of women from micro finance institutions.

Microfinance Programs' Impact on Women's Empowerment:

Conduct a thorough impact assessment of several microfinance programs in Sri Lanka to determine their efficacy in empowering women. Consider economic independence, decision-making capacity, and social position within families and communities.

The Role of Microfinance in Alleviating Poverty Among Women: Look into the role of microfinance in alleviating poverty, particularly among women in Sri Lanka. Examine the extent to which microfinance efforts help female beneficiaries generate money, accumulate assets, and enhance their overall living conditions.

Challenges and Opportunities in Microfinance Accessibility: Investigate the barriers that women face in accessing microfinance services in Sri Lanka. Examine potential barriers such as geographic location, educational background, and socioeconomic level. Identify possibilities to improve accessibility and inclusivity as well.

Women-Centric Microfinance Models for Sustainable Development: Investigate the potential of women-centric microfinance models for encouraging sustainable development. Examine how financial inclusion for women helps to long-term socioeconomic growth at the individual and community levels.

Microfinance Programs' Social and Cultural Impacts on Women:

Examine the social and cultural implications of microfinance projects for women in Sri Lanka. Investigate the impact of these initiatives on traditional gender roles, family dynamics, and community ties. Consider both the positive and negative social consequences.

Risk Management Strategies for Women in Microfinance: Evaluate the hazards that women who participate in microfinance face. Propose and assess risk management measures that microfinance institutions can use to protect female borrowers' financial well-being and livelihoods.

Comparative Analysis of Microfinance programs: Compare the efficiency of several microfinance programs in Sri Lanka in aiding women. Consider group lending, individual lending, and digital microfinance platforms as alternatives.

The Role of Microfinance in Entrepreneurship Development: Investigate how microfinance helps women entrepreneurs in Sri Lanka. Examine the types of businesses started by female borrowers, their success rates, and the difficulties they encounter in maintaining and growing their businesses.

Government Policies and Microfinance for Women: Investigate Sri Lanka's present government policies on microfinance and their impact on women. Examine how these policies connect with the needs and challenges of women engaging in microfinance programs.

Long-term Impacts of Microfinance loans: Look at the long-term effects of microfinance loans on women in Sri Lanka. Examine how loan from microfinance organizations affects female borrowers' financial stability, mental health, and overall well-being over time.

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