

Center for Community Based Resource Management (CBRM)

Natural Resources Institute, University of Manitoba

CBRM Database

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Case Study Name:	Microfinance for Community Development, Poverty Alleviation and Natural Resource Management in Peri-urban Hubli-Dharwad, India		
Authors:	Brook, R.M., Hillyer, K.J., and Bhuvaneshwari, G.		
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Region:	Southeast Asia		
Country:	India		
Ecosystem Type:	arid and/or semi-arid		
Social Characteristics:	remote community, urban community		
Scale of Study:	household, community		
Resource Type:	other (microfinance)		
Type of Initiative:	research-driven project		
Community Based Work:	development planning, resource management other (poverty alleviation)		
Keywords:	income-generating activity, microcredit, non-government organization, self-help group		

Summary:

This paper reports on the findings of a study of a microfinance and community mobilization initiative in six villages in the peri-urban zone of Hubli–Dharwad in Karnataka state, southern India, where a number of self-help groups established by two NGOs were studied over a three-year period (2001–2004). Despite deliberate targeting of the poor and very poor sectors, their representation in the self-help groups was found to be no different from their proportions in the populations of the villages. (Targeting of women was more successful, with 64 per cent of members being female.) However, the poor and very poor were more actively involved in microcredit than members of the other wealth classes. Over the life of the project, the poor moved above the state poverty level and their household savings increased by 647 per cent. More than 77 per cent of the funds mobilized through this programme were raised through self-help group subscriptions and a further 14 per cent came from linkages with banks. Findings point to the success of the NGO-mediated self-help group model of community mobilization and microfinance provision relative to other models.