

MICROFINANCE MECHANISM: A LITERATURE REVIEW

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ABSTRACT

This paper provides a brief survey of literature on theoretical insights of microfinance mechanism and empirical findings on microfinance. This paper finds that the theoretical mechanism provides interesting results for mechanism design while the empirical evidence of the impact of microfinance is mixed.

KEYWORDS: *Microfinance, Rural Credit, Finance*

JEL Classification Codes: *G20, G21, G28*