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# The Promise of Microfinance and Women's Empowerment: What Does the Evidence Say?

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## Abstract

The microfinance revolution has transformed access to financial services for low-income populations worldwide. As a result, it has become one of the most talked-about innovations in global development in recent decades. However, its expansion has not been without controversy. While many hailed it as a way to end world poverty and promote female empowerment, others condemned it as a disaster for the poor. Female empowerment has often been seen as one of the key promises of the industry. In part, this is based on the fact that more than 80% of its poorest clients, i.e., those who live on less than \$1.25/day, are women. This paper discusses what we have learned so far about the potential and limits of microfinance and how insights from research and practice can help inform the industry's current products, policies and future developments.

**Keywords:** [Microfinance](#); [Entrepreneurship in emerging markets](#); [entrepreneurship](#); [gender](#); [Women's Empowerment](#); [entrepreneurs](#); [Saving](#); [savings](#); [credit](#); [credit supply](#); [Insurance](#); [Development economics](#); [development finance](#); [Behavioral economics](#); [Gender](#); [Microfinance](#); [Social Entrepreneurship](#); [Developing Countries and Economies](#); [Banking Industry](#); [Public Administration Industry](#); [Financial Services Industry](#); [Insurance Industry](#); [Latin America](#); [Kenya](#); [Chile](#); [India](#); [Asia](#); [Africa](#);

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