Exploring Financial Literacy Programmes Delivered by the Sri Lankan Microfinance Institutions: A Case Study Approach.

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Abstract

According to the Global Financial Literacy Survey done by Standard & Poor's Ratings Services, in 2014 only 35% of adults were financially literate in Sri Lanka. However, Microfinance Institutions (MFIs) were struggling to improve this rate and there is a dearth of research covering this critical area utilizing a qualitative approach. Thus, the purpose of this paper is to focus on the critical, yet an under-researched dimension of Microfinance (MF), the intercession of MFIs in delivering FL to the MF clientele focusing on profiles such as delivering channels, importance, constraints and strategies to address. The multiple case study method was used in this study as the research methodology. The data were gathered from a purposive sample using in-depth interviews. The findings show that channels of delivering Financial Literacy (FL) are Social Mobilization Programmes, seminars, training programmes, community committees, and credit societies, and the importance of delivering FL is; enhancement of human capital, the sustainability of industry and firm, upgrade new venture survival, client protection, social and economic empowerment and development. Further, the barriers to deliver FL; budget, industry competition, in active participation, attitudes of clients, the contribution of inactive regulatory bodies and external barriers were investigated with the strategies adopted in addressing barriers; community awareness, motivational strategies, regulatory framework and cost addressing strategies. These findings contribute to both the knowledge and practice domains. They have implications for policy makers in paying attention to make a financially literate clientele in the MF discipline.

Keywords: Microfinance Institutions, Financial Literacy, Microfinance clients, Case Study Method

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Introduction

Among the most inspiring developments in the world of social and economic developments, the microfinance industry around the globe is experiencing a period of rapid change (Dhakal & Nepal, 2016). It has made an ill-bred and exciting period for MF, marked equally by the stunning potential of the cell phone to transform the face of financial services and, disturbing reports of suicide due to over-indebtedness. A shift in the industry is taking place against this backdrop drawing our attention from the financial institution back to the client (Cohen & Nelson, 2011). Thus, the globe has now widely embraced the goal of "financial literacy" as a key driver for this challenge.

FL is a growing economic and social concern of today gathering extensive attention from consumer advocates, scholars, governmental agencies and policymakers (Harnisch, 2010). Financial education can be presented as the best path for FL revival, which is a process where both the client and the provider perform a crucial role. When considering the role and responsibility of providers of financial services, it should be transparent and disseminated with accurate information to their clientele (Kelegama & Tilakaratna, 2004).

According to the findings of Standard & Poor's Ratings Services Global Financial Literacy Survey, 2014 only 35% of Sri Lankan adults are financially literate. Further, the Asian Development Bank Institute report, which was presented by Kelegama and Tilakaratna, 2004 reveals that there is a lack of FL programmes provided in Sri Lanka by the MFIs for their clientele (I.e. Practical gap). The major problems faced by MFIs; over indebtedness, multiple borrowing, inadequate awareness of clients, improper regulations have pushed them towards delivering FL to their clientele (Ahmed, 2015). In the Sri Lankan context, the measures to enhance FL have been rather ad hoc in nature and their national policy on financial education cannot be identified. Even though various efforts have been made by MFIs and other service providers such as Community Based Organizations to increase financial awareness and develop financial skills, overall measures on financial education aimed at low-income households demonstrate an inadequacy (Kelegama & Tilakaratna, 2004). Hence, it is of prime importance to improve financial education among households, in particular those from low-income groups. The growth and multiplication of financial institutions, increase in multiple borrowing, consequently leading to the rise in household debt which is significant.

There are a number of researches that have been done in developed countries (Cohen & Nelson 2011; Xu & Zia 2012), focusing on FL discipline. However, only a few studies have been done in developing countries on FL among MF clients. However, there is a dearth of studies done on FL among MF clients in Sri Lanka using a qualitative approach (Empirical and a methodological gap). This study attempts to fill these gaps by addressing the following research questions.

1. How do MFIs provide FL?
2. Why do MFIs provide FL to their clientele?

3. What are the constraints of delivering FL and what are the strategies to overcome this challenge?

The broader perspective itself proves that the market operations and competitive forces of MF industry compromise when consumers have a lack of skills to manage their finances effectively. Further, the informed participants are a blessing to create a more competitive, more efficient market in the microfinance industry. The results of the research can be used by microfinance providers and policymakers to identify the importance of providing FL programmes for the clients. Thus, it contributes to both the knowledge and practice.

In an attempt to accomplish the above, this paper is divided into the following sections. Firstly, the literature on microfinance and FL is reviewed, followed by an explanation of the methodology employed. Then the FL delivery channels, importance, constraints faced when delivering FL and strategies adopted are critically analysed. Discussions of findings are discussed before the conclusions and the implications are presented.

Literature review

Microfinance has evolved as an economic development approach intended to benefit people who earn a low-income by providing financial services and products such as microcredit, savings and other services such as business development services to assist the exceptionally poor in expanding or establishing their businesses (Dhakal & Nepal, 2016). The beguiling simplicity of the concept MF has achieved a record of success, not only in promoting financial resilience, but also in achieving other social objectives (Perkins, 2008). Thus, the definition of microfinance often includes both financial intermediation and social intermediation (Ledgerwood, 1998).

With that, it has started to gain greater attention for FL in recent years from a wide range of government agencies, major banking companies, grass root consumers and community interest groups and other organizations (Lusardi A., 2010). Moreover, it has started to mobilize the resources in a massive way through the governments and international organizations in funding and building capacity in this area, particularly in middle-income countries and low-income countries. (Abubakar, 2015). When considering what “financial literacy” is; it is clear that term comprises of financial education or knowledge, financial awareness, including products, institutions and concepts; financial skills such as the ability in computing interest payments, and financial capabilities such as money management and financial planning. However, in practice these notions frequently overlap with each other (Abubakar, 2015). Far less attention has been devoted to the issue of how people acquire and deploy FL although there is a substantial theoretical and empirical body of work on the economics of education. Only a few authors have explored the acquirement of FL and the links between financial knowledge, saving and investment behaviour during the last few years, including Delavande, 2011; Jappelli and Padula, 2011; Hsu 2011; and Lursadi, Michaud, and Mitchell, 2013.

According to the literature, there are a few ways of providing FL to the general public by various institutions.

According to the literature; educators, community leaders and policymakers have faced a critical challenge in bringing FL and consumer education effectively to their constituencies. (Comeau & Rhine, 2000)

Some of the studies highlight the need of MFIs to focus on delivering FL to their clientele. The study done by Ahmed, 2015 highlights how a lack of FL has created a big challenge for MFIs in poverty eradication. It has challenged MFIs in empowering the poor (Hadi, Wahyudin, & Wamaungo, 2015). Thus, over indebtedness and multiple borrowing of clients in MF industry has created great challenges for MFIs in achieving their objectives. (Ahmed, 2015)

However, leading organizations with longer-standing FL initiatives report that they are unable to fully keep up with the demand for their services due to funding issues (Robson, 2012). Some organizations new to FL struggle with building the capacity and confidence of staff members to take on education and guidance roles in personal finance. These groups face a steep learning curve before they can deliver the accurate, appropriate and relevant information their clients need. Also, their organizations expect to continually replace staff and update their organizational knowledge to stay abreast relevant financial changes. Hence, here the intervention from regulatory bodies towards the private sector seem to be an insufficient and additional cost they have to bear on this, which has challenged MFIs (Robson, 2012).

In delivering FL, they mainly use delivery channels; face-to-face training and mass media. Face-to-face training is the most common delivery channel used by the organizations profiled in the case studies as it allows a close relationship to develop between the organization and the participant (The Master Card Foundation, 2011). However, the effectiveness of these methods remains unclear (Borden, Lee, Serido, & Collins, 2008).

The evidence demonstrating the effect of these financial education programs appears to be mixed and must be regarded with “cautious optimism” (Todd, 2002). However, much of the recent work in financial education has established causality between financial knowledge and financial behaviour, adding urgency to the task of identifying education programs that work and guide consumers to these best practices in education (Lusardi & Mitchell, 2007). Bruhn and Zia (2011), have rigorously tested the impact of business and financial training for young entrepreneurs in Bosnia and have found that while the training program does not influence business survival, it significantly improves business practices and investments among surviving businesses. As training on financial investments was observed to have an influence on financial decision making, financial investments literacy was concluded to have a significant influence on financial decision making of the MFI clients.

In analysing the Sri Lankan context, Standard & Poor’s 2014 Global FL Survey shows that only 35% of Sri Lankan adults are financially literate identifying Sri Lanka as a nation with the highest gap between print literacy and FL in the region. Therefore, there is more scope to promote FL among Sri Lankans (Klapper, Lusardi, & Oudheusden, 2014). The study done by Chandrasiri and Bamunuarachchi

(2016), emphasizes the fact that although there is a lack of providing FL for MF clients by the MFIs, the intermediation of the handful of MFIs towards that objective has become a successful factor for themselves.

This study is guided by the “Human Capital Theory” which has gained much attention from Nobel laureates in Economic Sciences in theoretical and practical training on the importance of investing in human capital. Professor Gary S. Becker won the Nobel Prize in 1992 for having extended the domain of microeconomic analysis to a wide range of human behaviour and interaction, including nonmarket behaviour. The Becker's study has to do with investment in human capital through education, workplace training, health care and research for information on prices and incomes. However, far less attention has been devoted to the issue of how people acquire and deploy FL as a human capital. Only a few authors have begun to explore the acquisition of human capital in the form of financial knowledge in the last few years, including; Delavande et al., 2008; Helppie et al.; 2010 and Lusardi et al., 2013.

The study done by Helppie, Kapinos and Robert (2010), interprets financial knowledge, as a “stock of human capital that may be augmented through purposive investment activities”. Moreover, spillovers from family, social and occupational exposures may be affected by the financial knowledge in addition to deliberate investment activities. The acquisition of human capital in the form of financial knowledge has been studied by Delavande et al. (2008), presenting a simple two-period model of portfolio allocation and consumer saving across safe bonds and risky stocks (Delavande et al. 2008).

Methodology

A case study method was used in this study as this study is a “contemporary, pre paradigmatic and on-going phenomenon”, (Lindgreen, 2001, p. 78) of MFI and FL. The unit of analysis for this research was the individual level. (Yin, 1994). Moreover, a multiple case study technique was utilized conducting six case studies based on Eisenhardt’s (1989), reference of four to ten case studies to achieve theoretical saturation. For each case, interviews were conducted with three parties such as a manager, field officer and with a client in order to gauge all three views, allowing for triangulation of the data.

The cases and interviewers were selected using purposive the sampling technique. A selection of six MFIs was done based on the type of MFI and the nature of delivering FL as shown in table 1.

Table 1 MFIs Selected for the Study Based on Type and Nature of Delivering FL

MFI code	Type of MFI
C1	Government
C2	Private
C3	Cooperative
C4	Private
C5	Non-Government Organization (NGO)
C6	Non-Government Organization (NGO)

Source: Researcher Constructed

Eighteen in-depth interviews were conducted by using a well-organized and a planned semi-structured questionnaire developed, in alignment with the research questions. Interviews were tape-recorded and transcribed. Thematic analysis was used in analysing the data manually and the techniques such as cross-case synthesis, rival explanation, and pattern matching were adopted.

The reliability of this study was established through the case study protocol. Triangulation of data and multiple data sources assisted in establishing the construct validity. The pattern matching strategy was adopted to reduce the concern over internal validity. External validity was achieved through the multiple-case design, in order to intensify the replication logic as a means of increasing the analytical generalizations (Yin, 2009). Making a priority to the ethics which are crucial to follow in qualitative research, informed consent was taken from all the parties before obtaining the data and was ethical enough to safeguard the confidentiality and privacy and anonymity of the interviewer.

Findings

This section displays the direct quotations from the transcripts of the interviews of case studies. Quotations of respondents are presented in italics and each case was identified by the case number (C) and each respondent (RP) where, RP 01 is a senior manager, RP 02 a field officer/officer in charge of delivering FL and RP 03 the client.

The findings are presented under each research question of the study.

Research Question 01: How do MFIs provide financial literacy?

The findings (themes coming under research question 01) are shown in the following figure 1.

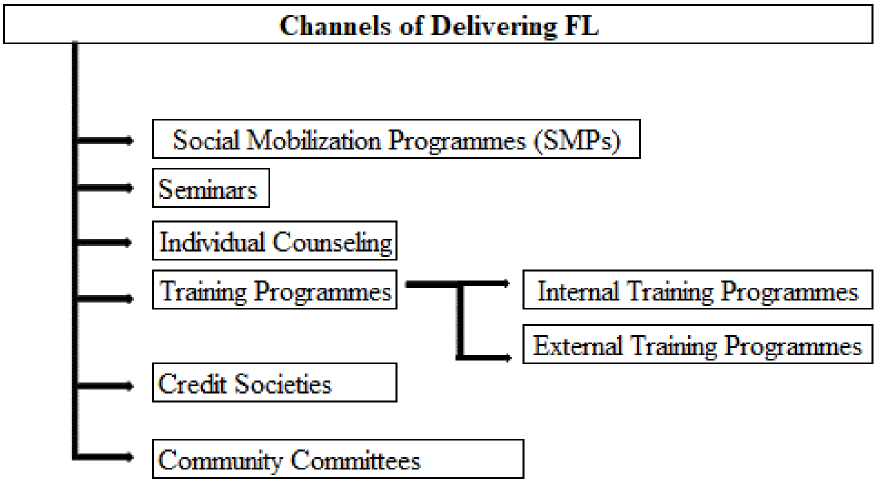

Figure 1 Channels of delivering FL
Source: By Author

Six themes were identified under this research question. They are social mobilization programmes, seminars, individual counselling, training programmes, credit societies and community committees. Further, some sub-themes emerged under certain themes (e.g. Training programmes). Each of these themes and sub-themes are discussed below with relevant quotations.

Social Mobilization Programmes – SMPs are where MFIs gather their clients from and guide to enable them to collectively think and act upon their own development. These were identified as the primary step of community awareness on FL concepts. Social mobilization occupies a central place in MFIs' FL delivery approaches, with the primary focus on laying down the foundation of basics in FL due to its cost-effectiveness. Thus, through SMPs it can be observed that MFIs have been able to set a goal, directing and motivating their clientele in achieving their goal which is in line with the **Goal Setting Theory of Motivation.**

SMPs as a theme is demonstrated in the following quotations.

"We offer regular SMPs named, "Jana Hamuwa", for micro sector clients in each of the villages. Normally, prior to offering a credit facility, we conduct seven sessions of "Jana Hamuwa" and there we discuss basic FL concepts."(C1: RP 01)

And,

"We are building the foundation for delivering FL at the ground level, through SMPs conducted for newly entered clients, we try to develop financial discipline from the ground level itself". (C2: RP 02)

Further,

"I participated in six "Jana Hamuwa" programmes (out of seven) conducted in our village. There we were able to get a deep understanding on savings and

managing money. There we found solutions for all our debt related issues." (C1: RP 03)

Seminars: Organizing seminars in delivering FL was observed as a rarely used channel by MFIs due to the major effect of the cost they have to bear. They also seemed to be mostly using seminars targeting the SME client's sector, as it is easy for MFIs to discuss burning finance-related issues they are facing in their day to day businesses, by making a cluster rather than individual counselling on them. This theme is supported by the following quotations.

"It is actually very rare for our organization to conduct seminars. But we organize at least two or three per year. Here we mainly target the business community who are in the SME sector." (C1: RP 01)

Further,

"Special seminar like programmes are not organized regularly, but we organize at least one per year, especially for the businesswomen as it adds great value to their knowledge." (C4: RP 01)

Further, the study findings assist to conclude that the understanding on finance concepts at seminars makes human capital by providing a stock of knowledge within the participant and it adds value to that person.

Individual counselling: On one hand, some RPs brought forth individual counselling as a highly impractical mode of delivering FL due to the huge client base they possess. On the other hand, some others identified it as the most effective way. This theme was substantiated by the following quotations.

"Rather than creating awareness by assembling them, we have experiences that the individual focus is effective and it accelerates by reducing the gap with clients." (C6: RP01)

And,

"From the date I applied for the first loan from this bank, I was guided by the Manager of SME section with all necessary advice to prepare the business plan, investments, loans and everything". (C6: RP03)

Further, contrary to that point, RP 02 of institution "C1" stated,

"Actually, we are not going to provide FL on an individual basis due to time and budget constraints. And it is not realistic to cover all clients individually, to deliver FL."

Besides, the fact of getting individual focus from someone pushes one to work on his self-efficacy by himself. As self-efficacy reflects confidence in the ability to exert control over one's own motivation, behaviour, and social environment, delivering FL through individual counselling, increases the ability to motivate on his/her control over financial management.

Training programmes: Most of the organizations were not conducting training programmes due to budget constraints as most of them were profit-oriented institutions. Thus, two sub-themes were identified during interviews. They are,

Internal Training Programmes

External Training Programmes

Internal Training Programmes: The institution "05" has come across with regular delivery of FL training programmes with a solution to budget constraints.

“We are delivering FL through our own developed FL module with some stages, mainly consisting of; FL- the basic level, success in money management; an advanced program, “Wyapara Jaya”; for the SME sector and IYB- “Improve Your Business” program.” (C5: RP02)

And,

“As a profit-oriented company, we cannot organize free FL programmes regularly. However, at least once per year, we organize a one-day training programme and in a separate session we discuss FL concepts.” (C4: RP01)

Further,

“I completed the first level of FL programme series of the company last month and I accepted the coupon to join the second level programme- success in money management with the next batch.” (C5: RP03)

External Training Programmes: Only the government institution channels their clientele to the external programmes organized by the CBSL in collaboration with other government organizations, without any cost to the institution itself. The following evidence supports this,

*"We have an SME agreement as “SME LOC” in collaboration with the ADB bank and PWC through the Finance Ministry mainly focusing on empowering women entrepreneurship promoting and empowering.”(*C1, RP01)

Further, both the internal and external training programmes have been able to sustain the lives of the clients by adding value to their lives through delivering FL. Thus, it can be concluded that the main theory guided through the study has been proved by enhancing human capital.

Credit Societies: Credit societies can be identified as both cost-effective and time-effective to institutions as it acts as a budget pack. Furthermore, it seems to be the best option to get higher participation of clients, as they are forced to attend in order to repay their loan on that day, as well as being able to transmit with FL concepts insensible to them. Therefore, automatically it will lead to offering human capital to the world.

“General assembly of our credit society gathers once per month we normally schedule more than 30 minutes to discuss FL concepts.” (C1, RP01)

And,

“Most of the time FL concepts are discussed at our credit societies which are held once every two weeks. It makes it easy for us to have a higher participation rate” (C1, RP01)

Community Committees: Committees formed within the social gathering; the community groups (e.g. Youth committee, women's committee, etc.) Embedding FL products into the schedule of these programmes was identified as one of the effective channels using MFIs as voluntary participants represent them. An example from RP 03 in institute “C3” states that,

“FL concepts are delivered to the community through committees as they are the most effective way for clients at special committees where they belong within our society such as Women Committee, Youth Committee, and Children’s Committee, etc.”

Taking everything into account, it can be concluded that although rarely used, seminars and SMPs are used in all the cases studied. Moreover, it was noticed that only institutions "C5" has developed an innovative FL module in delivering FL to the clients as an internal training programme. Also, only government institutions get opportunities to channel clients to external FL programmes. To sum up, all have proved that despite all the pros and cons of each delivering channel it is done by enhancing human capital through the delivery of FL without any doubt being in line with the guided theory of this study, the human capital theory. Besides, it has been observed through individual counselling that it has motivated and added shreds of evidence to prove the self-efficacy theory and goal-setting theory though SMPs.

Research Question 02: Why do MFIs provide FL to their clientele?

The findings (themes coming under research question 02) are shown in the following figure 2.

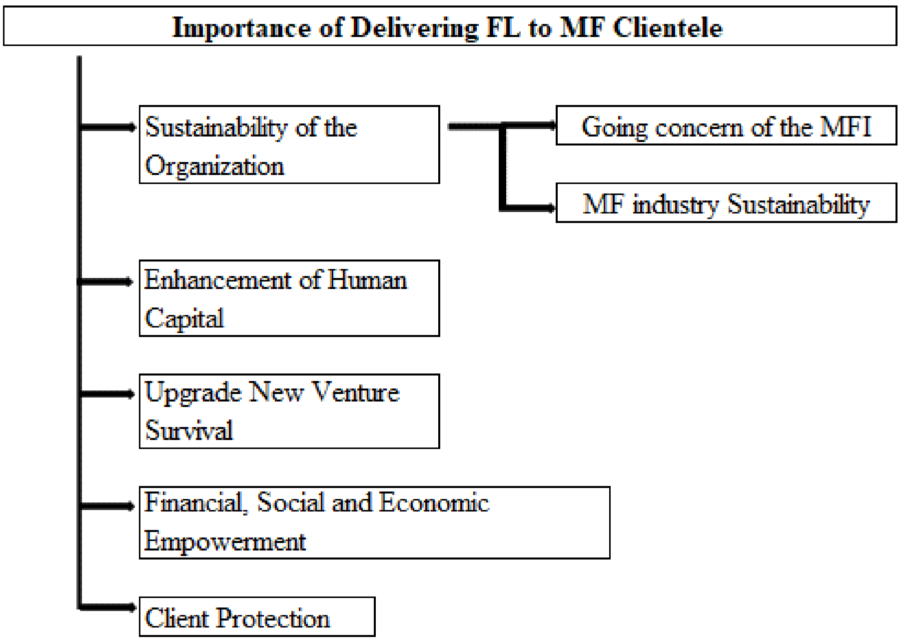

Figure 2 Importance of delivering FL
Source: By Author

Under this research question, five themes and several sub-themes emerged; sustainability of the organization, enhancement of human capital, upgrading new venture survival, financial, social and economic empowerment and client protection. These themes are discussed below with the relevant quotations.

Sustainability of the organization: This theme has been identified under two sub-themes,

Going concern of the MFI

Sustainability of the MF Industry

Going Concern of the MFI: Making a financially ethical client who contributes to the sustainability of an MFI depends on the financially literate percentage of him/her. Besides, a collapse on debt recovery hits them on a large basis where it impacts their going concern, especially in financial and can improve debt recovery to the most extent through delivering FL. This is supported by the following quotations.

"Providing clients with FL is crucial because that is the one that sustains a company." (C1: RP01)

And,

"In order to sustain in the MF industry, the clientele should be provided with something effective. So, FL can be very effective to the clients." (C4: RP01)

Further,

"I strongly believe that providing just an MFI with loans to the clients is pointless."(C5: RP 02)

Sustainability of the MF Industry: If an MFI does not provide their clients with FL, they can be financially undisciplined and their unethical and undisciplined financial behaviour may make the MF industry a victim. It will result in the collapse of the industry as a whole. Therefore, the key to a financially disciplined culture within the industry is the delivery of FL to their clientele making them human capital that can create value. Following quotations support this notion.

"A financially undisciplined person will result in over-indebtedness through multiple borrowing and finally will impact the industry's sustainability as a whole." (C1: RP 02)

Further,

"MF clients should be given FL, be provided with something that can add value to them, for the sustainability of the industry."(C2: RP 01)

Enhancement of Human Capital: Evidently, both general knowledge and more specialized knowledge on FL contribute to more informed decision-making and can be further enriched to incorporate the fact that financial knowledge appears to be a specific form of human capital.

RP 02 of institution "C3" stated that,

"A human being should be a good financial handler in his/her day to day life, to be human capital, and to be a resource in the real sense of the word which contributes to the development of a country."

Upgrade the New Venture Survival: The creation of new ventures is vital to a healthy economy. In line with the theoretical underpinnings, one can picture a new entrepreneur requiring more business acumen input compared to an established entrepreneur.

RP 01 of institution "C1" elaborated the point as,

"Inadequate business acumen including poor FL, undermines

entrepreneurial activities. So, it is very critical to have financial knowledge in the creation of new ventures and development."

Further, RP 02 of institution "C3" stated,

"The forefront beneficiaries of the FL programmes are new startup businesses. We try our best to enrich them with the best, not only providing the best with internal experts but also synchronizing them with external experts. This is because FL is the most crucial factor that affects the failure of success of a new startup business."

And the disclosure of RP03 of institution "C3" supported them as,

"When I started my business, all the support needed even from outside parties were given by the bank."

Financial, Social and Economic Empowerment: Increasingly, individuals are responsible for their own FL and should be assisted with complex integrated financial instruments. Working in a continuously changing financial market with the increase in individual responsibility, informed financial decision making is becoming the necessity for economic, financial and social empowerment. The following quotation supports this.

"Most of the people today have failed in selecting the best option and in taking financial decisions. That is the curse and the major issue in the financial industry today, the over-indebtedness. So, FL programmes try to financially, socially and economically empower the clientele." (C3: RP 02)

Client Protection: Consumer protection ensures that consumers receive information ex-ante that will allow them to make informed decisions that are not subject to unfair and deceptive practices. FL initiatives give consumers the knowledge, skills, and confidence to understand the information they receive and evaluate the risks and rewards inherent in each type of financial service and product.

RP 01 of institution "C3" stated that,

"In the recent past, there were so many scandals exposed like bubbles. People become victims of the unstructured financial institutions due to low FL"

Further, RP 02 of institution "C1" supported stating,

"Until clients have gained sufficient knowledge of FL, they will be victims of the unethical behaviour of unstructured financial institutions."

In a nutshell, delivery of FL is important in organizational sustainability being the key pumper of knowledgeable clients as well as the organization continuity factor. Almost all the RPs highlighted that, due to the unethical behaviour within the industry, delivering FL to the clientele is highly needed in order to protect them. In spite of the facts, through the delivery of FL, clients can add self-value to themselves, which would involve investing in them as it finally enhances human capital. Besides, fostering a stronger sense of self-control and personal competence has increased self-efficacy, through self-control and personal competence in willingness to engage in personal financial matters.

Research Question 03: What are the constraints of delivering FL and strategies to overcome this challenge?

The findings (themes coming under research question 03) are shown in the following figure 3.

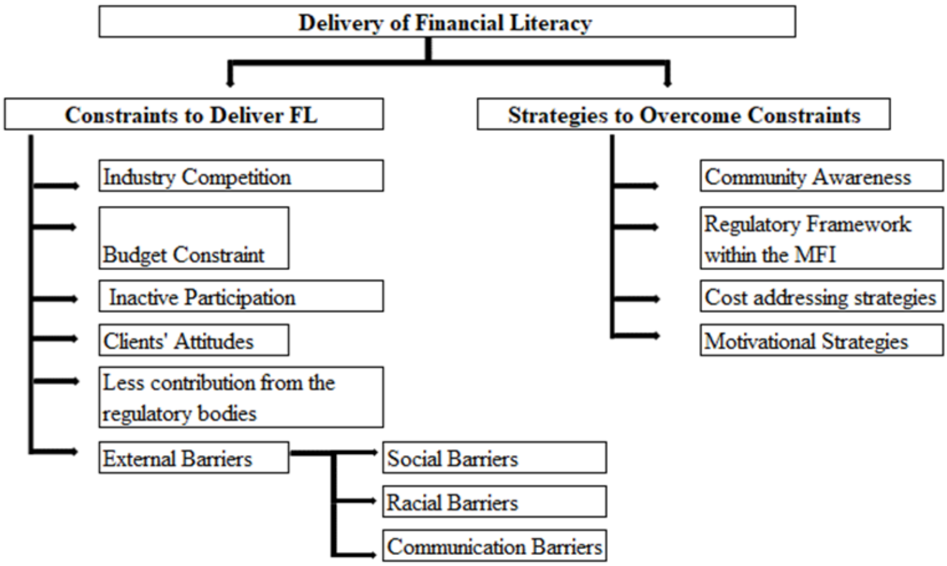

Figure 3 Constraints to Deliver FL and Strategies Adopted to Overcome
Source: By Author

Having prudently analysed the interviews, six themes; industry competition, budget constraint, in active participation, attitudes of clients, the contribution of inactive regulatory bodies, external barriers and several sub-themes could be identified under the constraints MFIs face in delivering FL. Furthermore, these barriers were investigated with the strategies adopted in addressing barriers in the latter part. These themes and sub-themes are discussed below with the relevant quotations.

Industry Competition: Industry competition was stated by most of the RPs as one of the major constraints in delivering FL to the clients. This is supported by the following quotations.

*"Competitiveness is a major constraint, because the people who do not have an awareness about the field, laws and about FL, just go to the financial institutions which do offer a loan, as the easiest way to the client."(*C1: RP02)

However, some of the RPs came up with a contradictory idea by stating that there is no industry competition barrier to deliver FL. For example,

"There is no huge barrier from the industry competitors because, in addition to the loans, we offer them with a benefits." (CE: RP02)

Budget Constraint: Funding the delivery of FL mainly incurs an additional cost for an institution. Further, the delivery of FL, even bearing the cost depends on the ability and willingness to bear the cost by an institution, the nature of the organization and structure. Institutions of the government sector observed to be not suffering from a budget constraint due to government assistance while private and profit-oriented institutions suffered greatly, being unable to fully keep-up with the demand for their services due to funding issues.

According to the statements made by RPs,

"The cost was the main constraint for us in delivering FL although there is a demand, as we are a profit-oriented organization." (C5: RP01)

However, government institution RPs stated a contradictory idea that the cost is not a big issue for them.

"Actually, the budget is not a big issue for us. Mainly because, we have government grants, we have enough profits and also, we can collaborate with other government institutions and can get the help of them when conducting FL programmes." (C1: RP02)

Inactive Participation from Clients: Taking all the exhibited facts into consideration, the researcher is able to conclude that compared to the past, client participation is at a low level and urban client participation is lower compared to rural client participation. However, institutions that failed in getting client participation have identified it as a barrier and for success and rejected it.

RP 01 of institution "C2" stated that,

"MF clients are not a social segment with high income. They do try to earn something making the utmost value of time. So, normally they reject to sacrifice their hunger for the participation of an FL programme."

This was supported by the statement made by "RP 03" of institution "C4",

"Honestly, with the busy schedule we have, we need to prioritize our lives. Compared to the work I do as part of my job and spending time with my family, participating in a programme informed by my banker is placed at a lower point. So, I have missed them a lot."

However, RP 02 of the same institution, dogmatised differently as,

"If we organize an FL programme and expect the participation of 100, at least 50% - 75% participation is there. It is actually at a highly appreciable level. So, I cannot conclude that the participation from the client side as inactive."

However, it can be concluded that it also depends on nature, and responsibility of the client.

Attitudes of Clients: Attitudes have been found to influence an individual's choice of action, responses to challenges, incentives and rewards. In delivering FL to the clients, the RPs came up with the point that some negative attitudes within people create barriers to deliver FL to them as well as their self-development. Following quotations show evidence of that.

"We are greatly in need of empowering our clients, especially the women, through providing FL and uplifting their economy. However, they just ignore it."(C1: RP 02)

Further,

"A majority of our clientele consists of lower and middle-income level people. So, most of them have negative views on these kinds of FL programmes."(C2: RP02)

Less Contribution from Regulatory Bodies: In delivering FL to the clientele as well as preparing and motivating MFIs in the delivery of FL, there should be an impulsion from regulatory bodies. However, the weak mediation of the regulatory bodies has created less motivation of MFIs in delivering FL to their clientele.

A special voice was raised in bringing out this point by the RP 01 of "C2" institution.

"In order to deliver FL to the clients, first of all, our staff should be trained, but for private companies like us there is no exposure or enough training programmes even to train the staff."

External Barriers: Apart from the internal barriers discussed, the officers in the MF field have observed some external barriers that constrain the delivery of FL to their clientele. RP 02 of institution "C2" raised a significant voice on this. They will be discussed under three sub-themes as follows:

Social Barriers: *"The estate owners and management want the people to do only what they are allocated to do. And they always show disinterest in gathering their estate people for these kinds of programmes"* (C4: RP01)

Racial Barriers: *"We moved to the North in the recent past not more than one year ago. There we experienced barriers in assembling the people."*(C2: RP02)

Communication Barriers: *"When I conducted a seminar for the North area of the country using a translator, what I wanted to say had not been exactly translated by the translator."*(C2: RP02)

The second part of the research question addresses the strategies adopted to overcome the barriers and four themes emerged; community awareness, motivational strategies, regulatory framework within the MFI and cost addressing strategies. These themes are discussed below with the relevant quotations.

Community Awareness: A knowledgeable client will not deviate from this system. Therefore, the most effective way to address the client in active participation issue, industry competition issue etc. Is by creating awareness among people.

RP 01 in the institution "C1" commented on stating client awareness as the best strategy to address the competing issue of the industry.

"The biggest barrier for us in delivering FL is the industry competition. And unawareness makes them become a victim of the unorganized financial system. Thus, I think community awareness is the best strategy."

Motivational Strategies: In order to effectively deliver FL to the clients, a motivation which is to be provided by the MFI and motivation from the side of the client in involvement are crucial. If one party fails, there is no use of providing it. This is supported by the following quotations.

"Besides, almost all FL programs are delivered by taking only around four to five hours in the morning, (Around 8.30 a.m. - 12.30 p.m.) To address the busy

lifestyle of the clients, because, most of our clients are women." (C5: RP02)

And,

"In order to motivate the clients' participation our FL module includes customized products." (C5: RP02)

The special revelation made by RP 03 of the same institution supported them by stating,

"Although I'm attached to more MFIs, I use to participate for the programmes conducted by this institution as their time allocation is very flexible for housewives like me"

Regulatory Framework within the MFI: More importantly, a regulatory framework is an accountability mechanism, where a formal procedure regulation is indeed required. Within a regulated environment clients will hardly try to be disciplined.

RP 02 in institution "C1" brought forth that,

"We have a rule in our credit societies that if someone wants to take a loan, they have to participate in at least three sessions regularly in the weekly meetings we are conducting. Then in those meetings, we discuss the matters related to the FL."

Cost Addressing Strategies: Somewhat contradictory ideas came out of the question on barriers in delivering FL to the clientele of each of the RPs. The answers also depended on the categorization of institutions such as government, private or NGO. So, cost has been observed as a specific barrier to deliver FL to private institutions. However, as a solution to this barrier, institution "C5" has come across as an innovative method of charging a fee through a coupon system. The following quotation supports this.

"We are offering a coupon for the clients when they are applying for a loan, and if they are interested in participating for that programme, they can accept the coupon and the coupon amount will be deducted from the loan offered to them. That fee will be used to cover all the expenses the company has to bear when organizing these kinds of FL programmes in our module. So, we do not have a big issue in terms of the cost" (C5: RP 02)

In a nutshell, the cost, industry competition and in active participation of clients were the facts with contradictory ideas of RPs, and the attitudes of the clients and external barriers were unarguably agreed upon as barriers by all cases. The budget constraint and less government mediation were not accepted as a barrier by the government institution where others accepted them as huge barriers in the industry.

In elaborating the strategies followed by each institute in order to overcome the barriers, all the cases have followed community awareness, a regulatory framework and motivational strategies. However, only the case "C5" has overcome the budget constraint through an innovative approach developed by themselves called the "coupon system".

Findings and Discussion

This section compares and contrasts the findings of the extant literature. The findings with regard to the FL delivering channels were compared with existing literature. Most of the themes emerged were in line with extant literature (Comeau & Rhine, 2000; Fox, Lee & Barthilomae, 2005; Lusardi, Clark, Fox, Grable, & Taylor, 2005; Robson, 2012). However, there are two themes; social mobilization programmes (SMPs) and credit societies that are not discussed in the literature, thus revealing new findings from the study.

Most of the findings come under the importance of delivering FL which are discussed in previous studies (Helppie et al., 2010; Delavande et al., 2008; Wise, 2013; Kotze & Smit, 2008; Hogarth, 2006; Krechovska, 2015; Mogilevskii & Asadov, 2018). However, the theme of sustainability of the organization is a new finding. The going concern of the organization and MF industry sustainability are new sub-themes.

Except for the themes, budget constraint and less contribution from the regulatory bodies which have been discussed in the previous study (Robson, 2012), literature is silent on other themes under constraints in delivering FL. Thus, industry competition, in active participation from clients, attitudes of clients and all sub-themes; social, racial and language barriers under external barriers are new findings. When comparing the themes of the strategies adopted in addressing the barriers with extant literature, except the theme of community awareness which was revealed in previous studies (Ghosh, 2016; Lursadi et al., 2005), and all the other themes; regulatory framework, motivational and cost addressing strategies are not discussed in literature.

Conclusion and Implications

According to the findings obtained in the field, there is an inherent effectiveness for each FL delivering channel, and it was observable that still there are some institutions left with carrying out the genuine goal of the MF concept, empowering the clientele for their development.

According to the study, it can be concluded that delivering MF clientele with FL is highly crucial as it decides the going concern of the institution and finally the sustainability of the industry. Besides, a financially disciplined culture within a clientele of one institution creates benefits for the development of the economy of a country.

The findings, display some barriers in offering MF clientele with FL in the perspective of MFIs. At the same time strategies utilized by them in addressing those constraints were also given higher attention by the study. Furthermore, the lack of intercession from the respective regulatory bodies in addressing and supporting them have not been given sufficient attention yet.

Finally, it can be concluded that the findings of the study supported to establish the guided theory of the research, “Human Capital Theory” and could be brought forward alongside the “Self-Efficacy Theory” and “Goal Setting Theory” in analysing the research findings. The findings of this study are useful for MF practitioners and researchers.

The field study experiences and observations carried me to the point of revealing that, even some of the officers at MFIs did not have a proper idea on FL concepts. Thus, the regulatory bodies recommended by the study should give their special attention to deliver FL programmes to the staff of MFIs at first because if they are not knowledgeable enough, it will finally affect the ultimate goal, in making a knowledgeable clientele. Regulatory bodies should take action to assist MFIs in addressing their constraints to deliver FL actively (Ex: Budget constraint). Alternatively, MFIs must enhance their capacity and make an effort to reach their clientele with FL, in order to promote sustainable development for them and for the whole community.

A researcher who expects to carry out a study on the same topic can extend the case study boundary by adding more cases focusing on a more accurate result and avoid the time and budget constraints through better planning. Further, quantitative and longitudinal researches can be done on this topic in different countries using different theoretical perspectives.

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