EUROPEAN MICROFINANCE WEEK
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Microfinance: What Have We Learned?

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Managing Director
Financial Access Initiative

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What Have We Learned About Customers?

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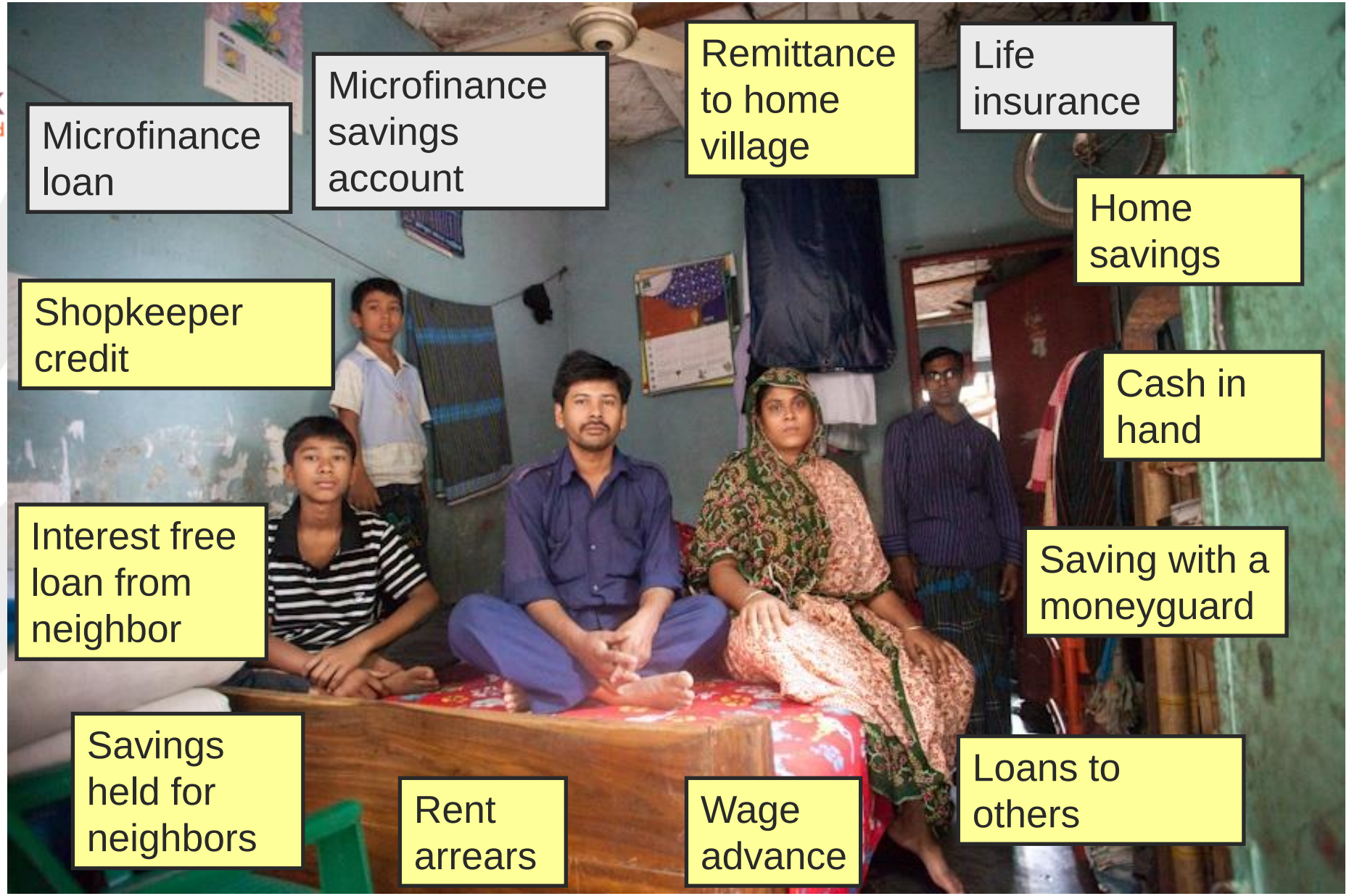

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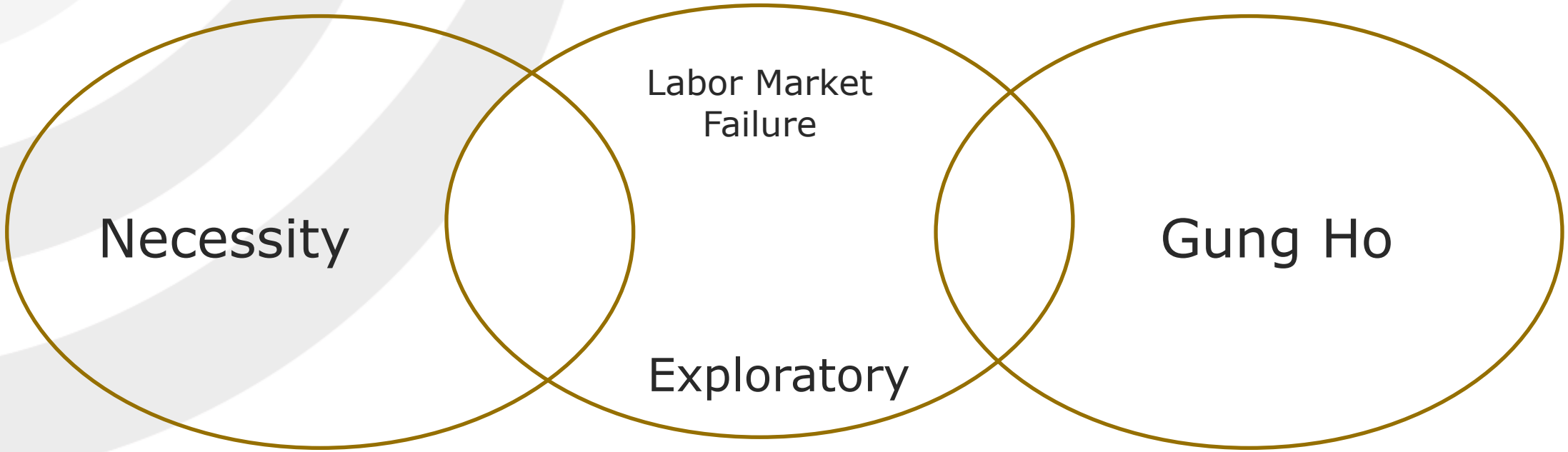
Types of Microenterprise Borrowers



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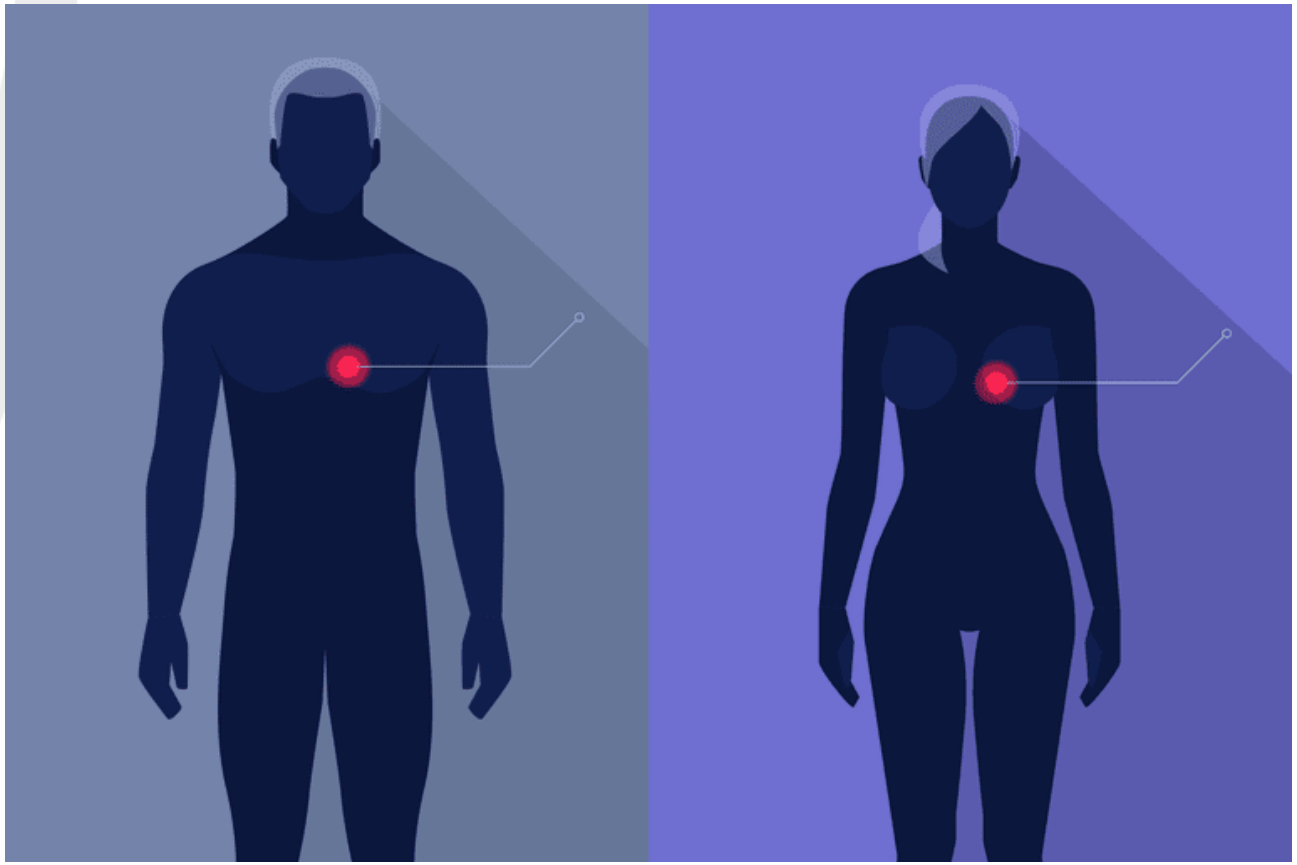
Men vs. Women



- de Mel, McKenzie and Woodruff (Sri Lanka, Ghana)
- Hardy and Kagy 2018 (Ghana)
- Bernhardt et al 2018

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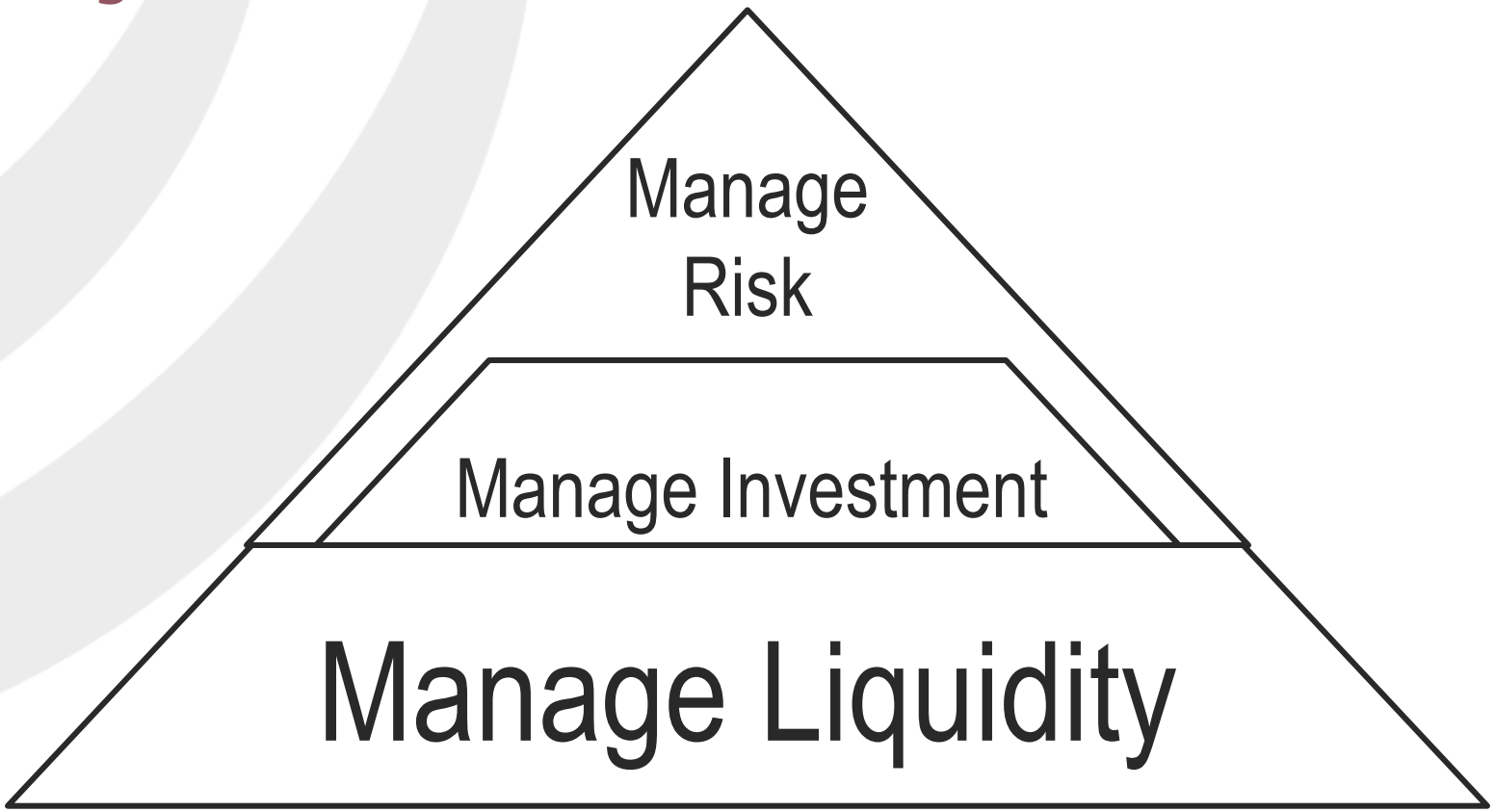
Understanding Financial Needs



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Meeting Financial Needs

	Payments	Credit	Savings	Insurance
Manage Liquidity	X	X	X	
Manage Investment		X	X	X
Manage Risk	X	X	X	X

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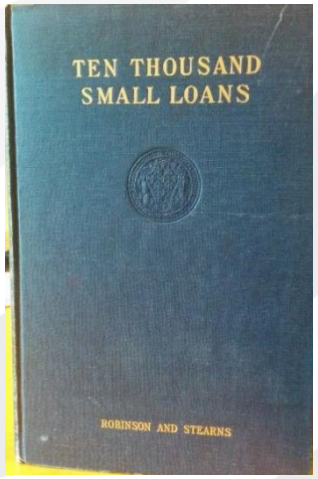
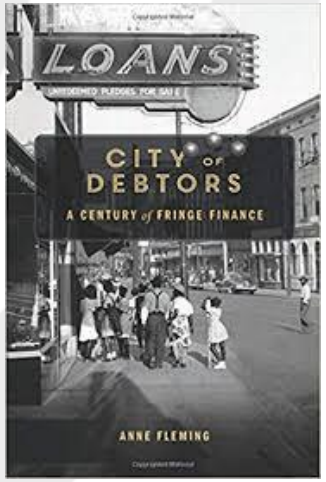
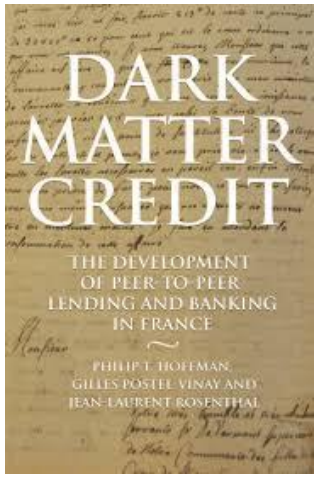
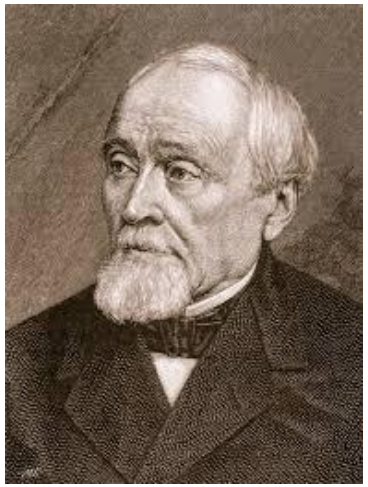
What Have We Learned About Microcredit?









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Impact Evaluations

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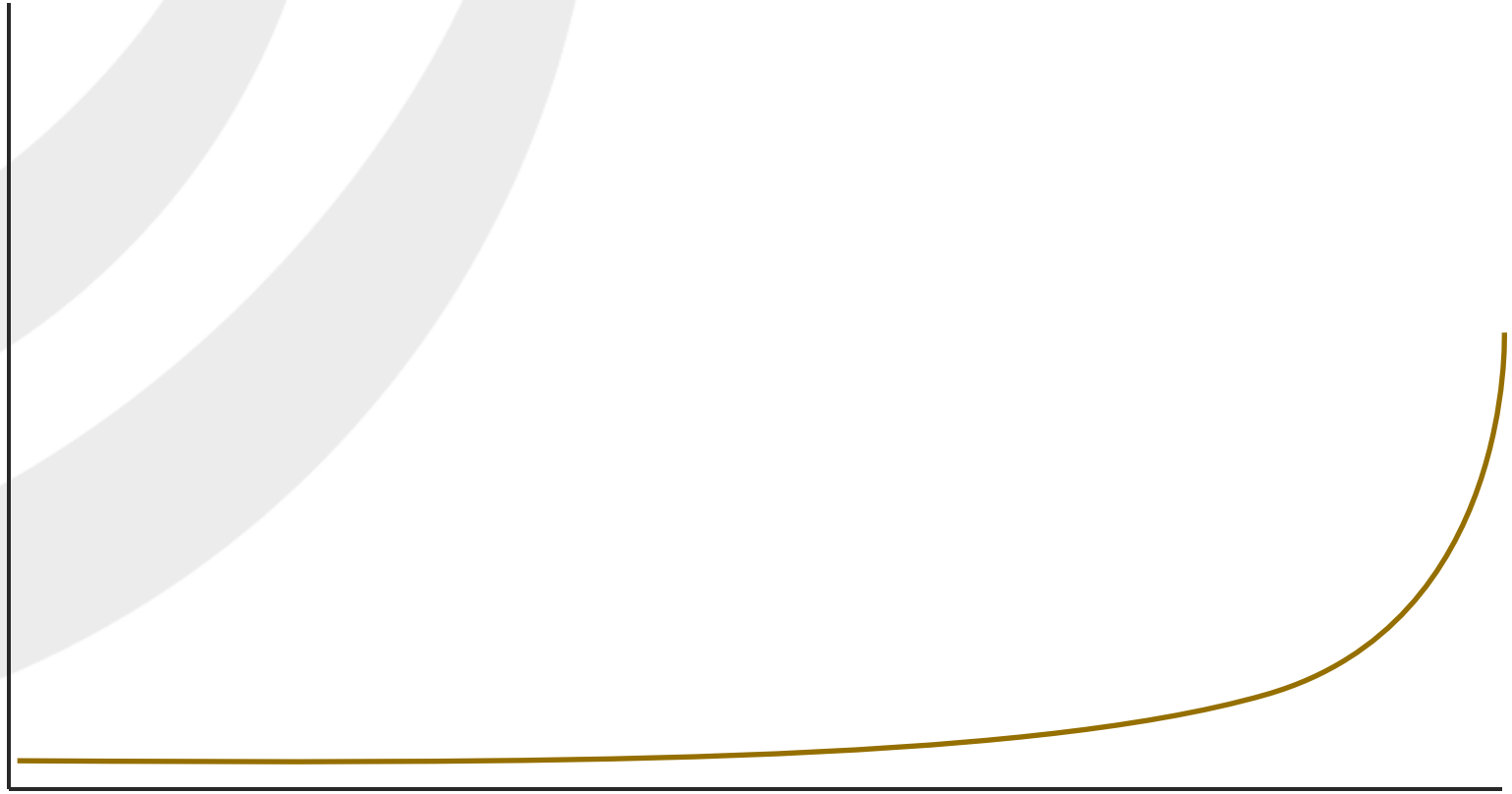
On Average, But…



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General Equilibrium Effects

- India: After the AP Crisis
  - Breza and Kinnan 2018
- India: Targeting the Ultrapoor
  - Bauchet Morduch and Ravi 2015
- Kenya: Grain Storage
  - Burke et al 2018
- India: Employment Programs
  - Muralidharan and Niehaus 2018

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Product Innovation

- Business Lending
  - Field et al 2013 (India)
- "Line of Credit"
  - Top-up Loans/Grameen II
  - Lane 2018 (Bangladesh)
  - Forthcoming trade credit experiments
- Flexibility
  - Battaglia, Gulesci, Madestam 2019 (Bangladesh)
  - Barboni and Agarwal 2019 (India)

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Process Innovation

- Targeting
  - McKenzie and Sansone 2019 (Nigeria)
  - Hussam, Rigol and Roth 2018 (India)
  - Maitra et al 2017 (India)
  - Fafchamps et al 2014 (Ghana)
- Delivery
  - Riley 2018 (Uganda)
- Training
  - McKenzie and Woodruff 2012
  - Campos et al 2017 (Togo)

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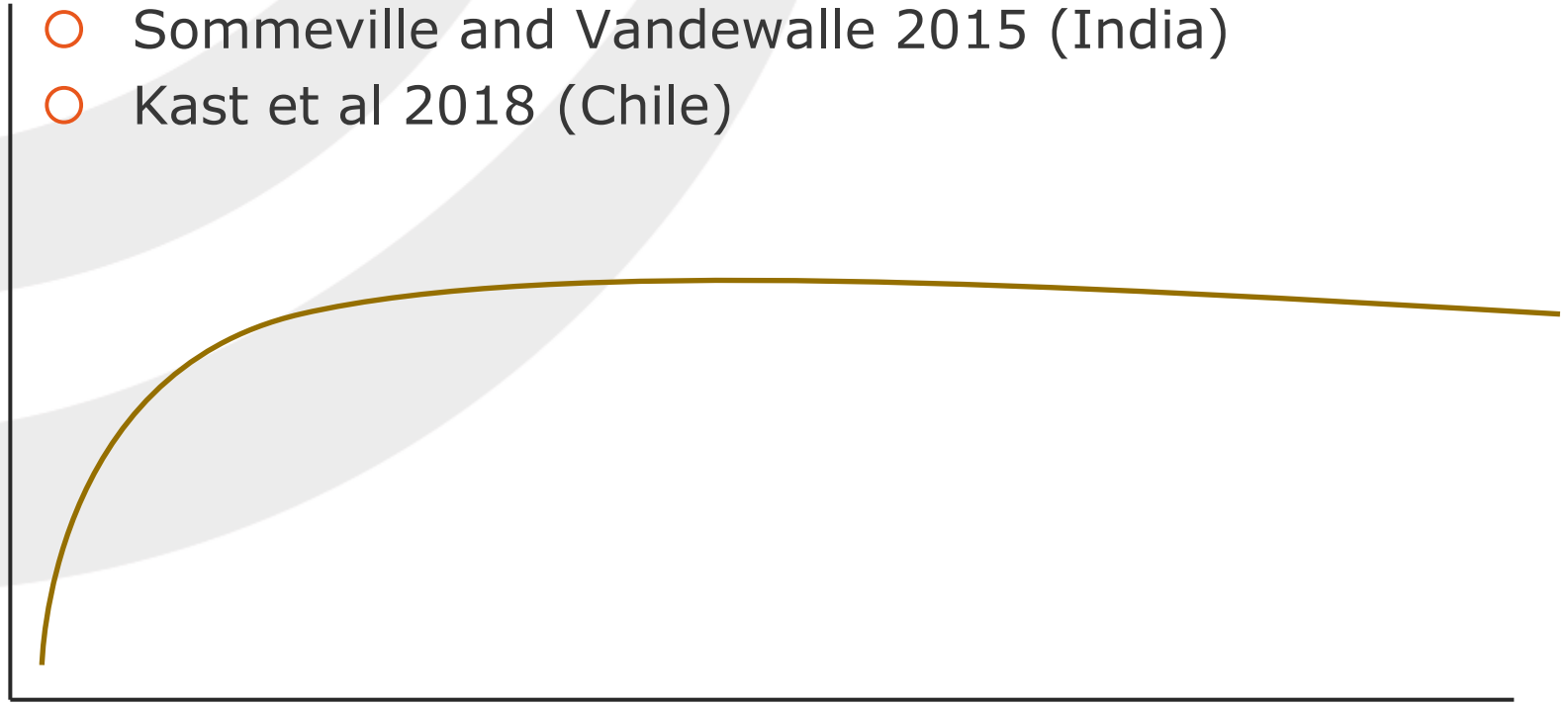
What Have We Learned About Savings?

- Not Much
  - Prina, 2015 (Nepal)
  - Sommeville and Vandewalle 2015 (India)
  - Kast et al 2018 (Chile)



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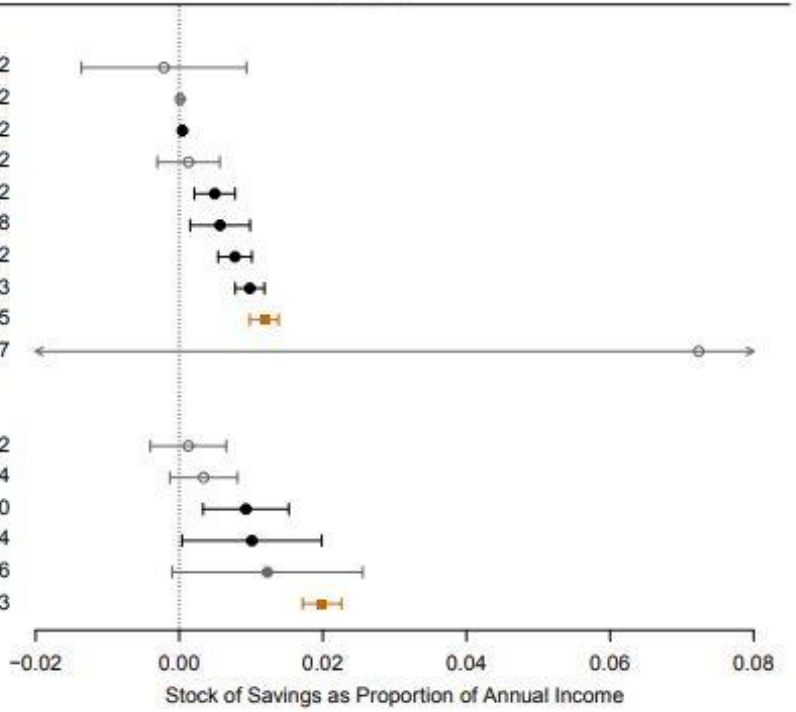
Savings Encouragement

Figure 1: Comparison with Other Studies

Study	Intervention	Country	Months
Panel A: Studies with about 1 year duration			
Drexler, Fischer, and Schoar, 2014	Financial education	Dominican Republic	12
Karlan and Zinman, 2018	Interest rate	Philippines	12
Kast, Meier, and Pomeranz, 2018	Savings group	Chile	12
Karlan et al., 2016	Reminders	Philippines	9–12
Kast and Pomeranz, 2014	Account	Chile	12
Somville and Vandewalle, 2018	Payment default	India	8
Dupas and Robinson, 2013	Account or lockbox	Kenya	12
Prina, 2015	Account	Nepal	13
This paper (1 year)	Debit card	Mexico	12–15
Seshan and Yang, 2014	Financial education	India (migrants to Qatar)	13–17
Panel B: Studies with longer duration			
Ashraf, Karlan, and Yin, 2006	Deposit collection	Philippines	32
Dupas et al., 2018	Account	Malawi	24
Karlan et al., 2017	Savings group	Ghana, Malawi, Uganda	22–30
Dupas et al., 2018	Account	Uganda	24
Schaner, 2018	Interest rate	Kenya	36
This paper (2 years)	Debit card	Mexico	20–23



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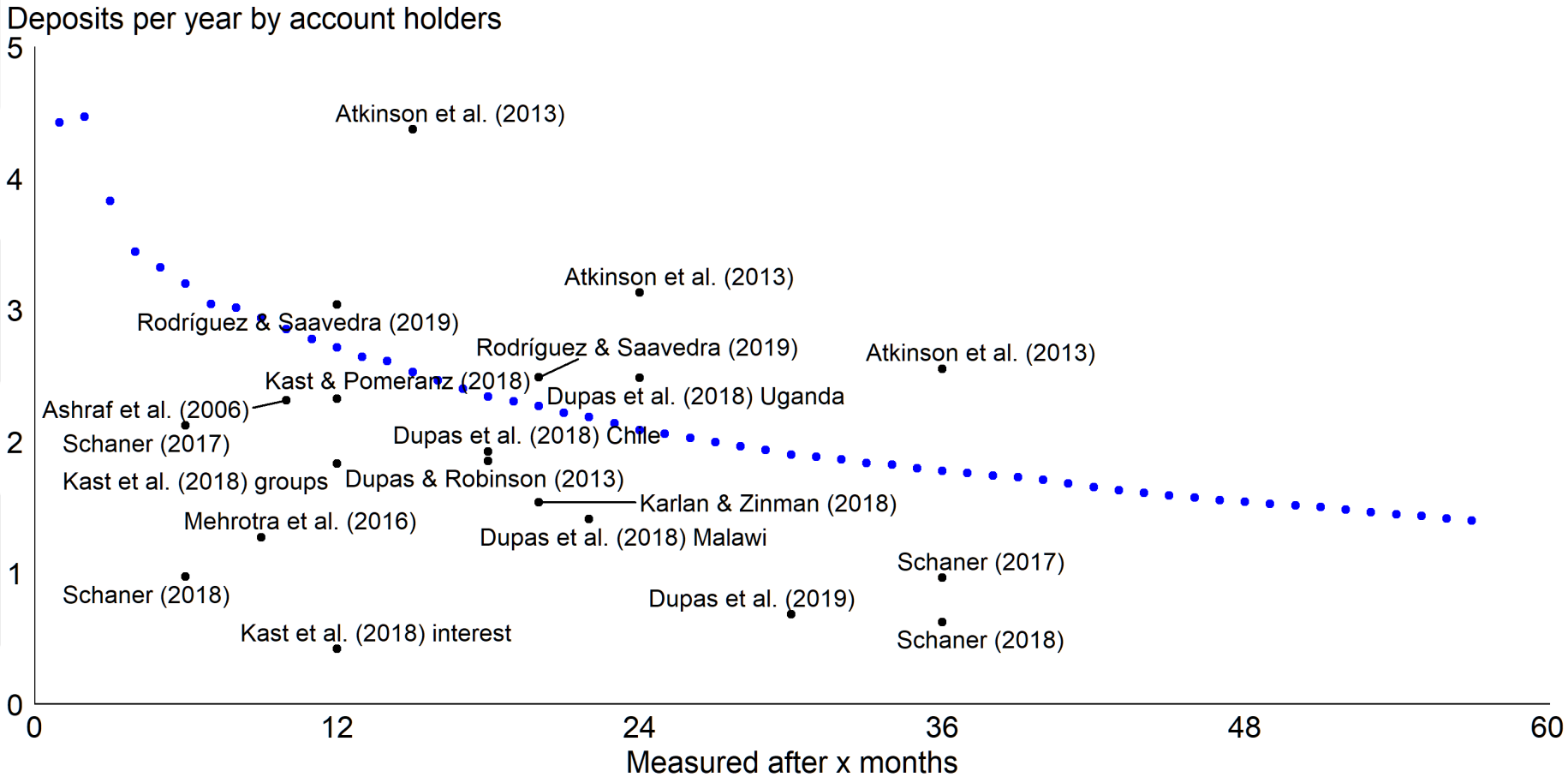
Savings Encouragement



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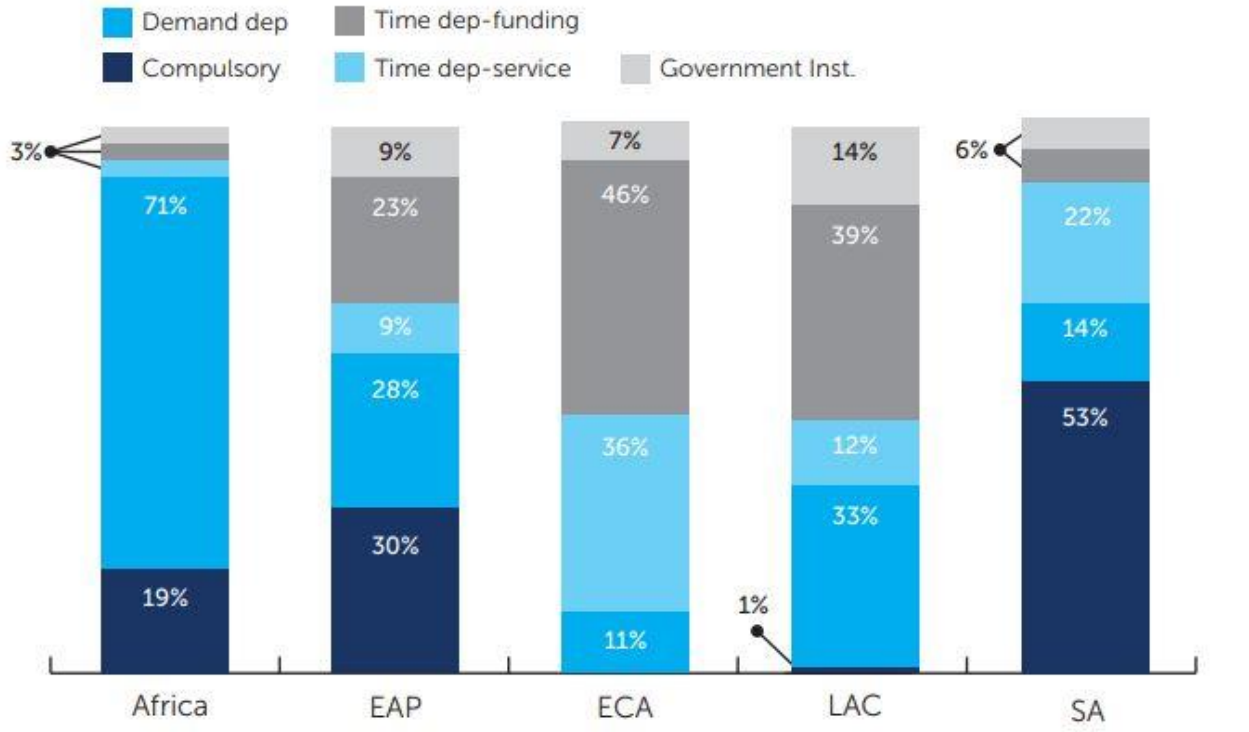
Savings Business Models

FIGURE 2: Prevalance of Savings Model by Region



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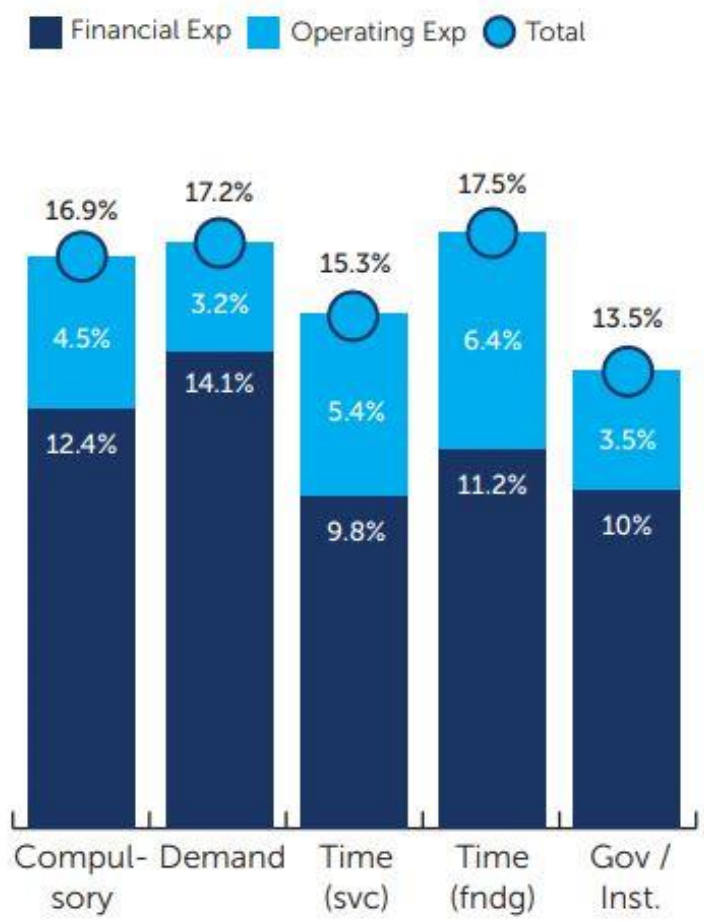
Savings Business Models

FIGURE 7: Expenses, by Model (% of median assets)[5]



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What Have We Learned About Microinsurance?

- Even Less

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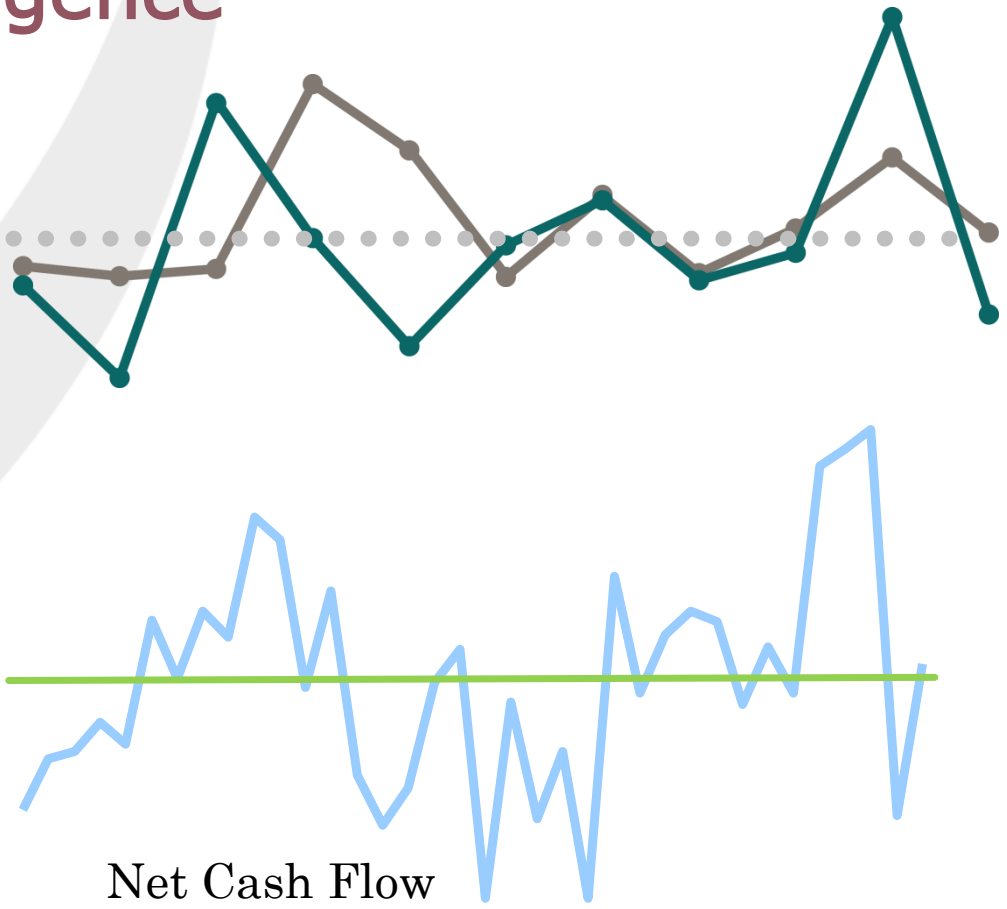
The Great Convergence



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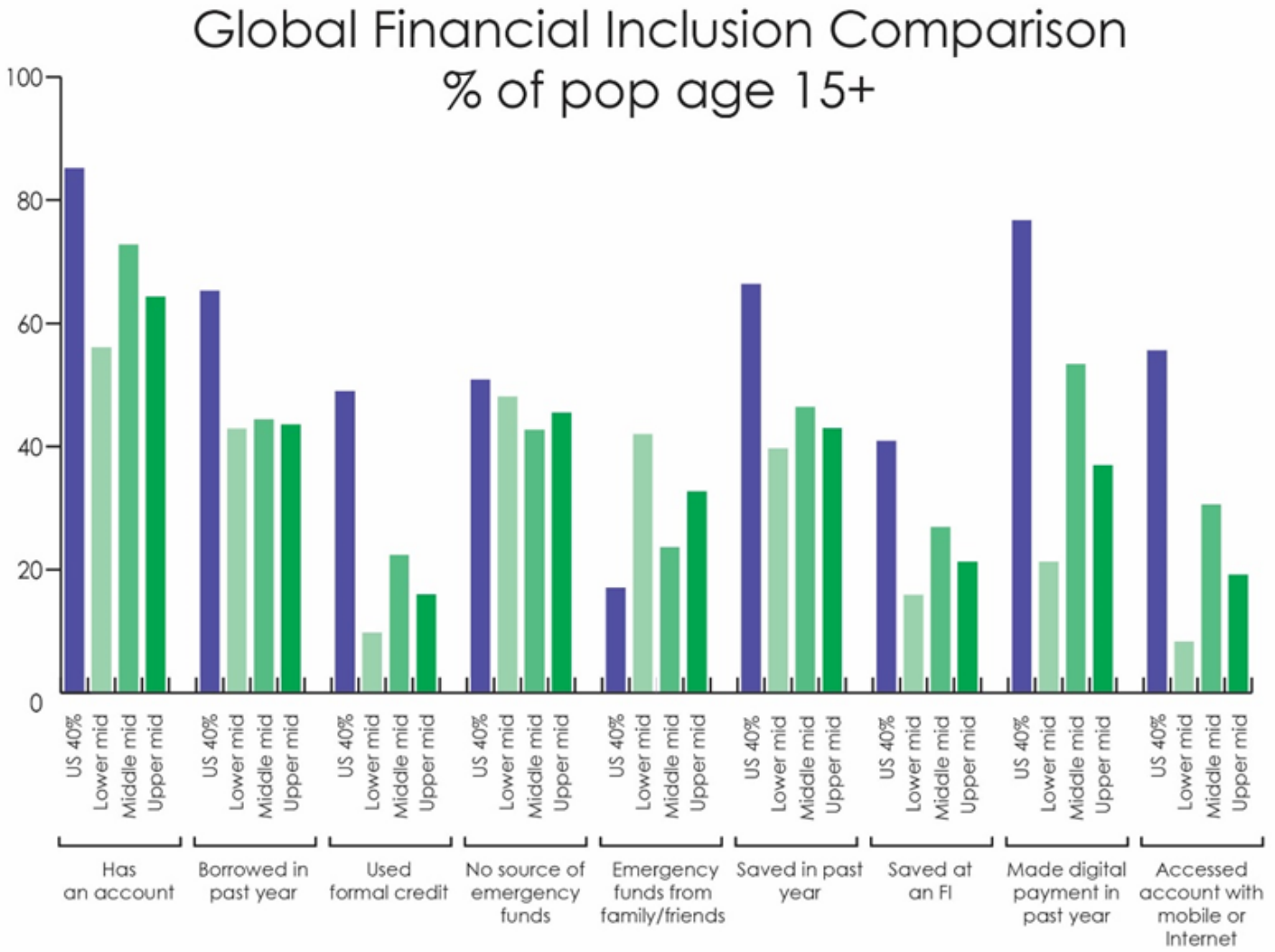
The Great Convergence