

# The Development of Microfinance

## Overview

A school of thought hails microcredit as a social innovation, a messiah to enable people to help themselves out of poverty through entrepreneurship. An opposing school of thought considers microcredit as a capitalist demon ensnaring the poor in poverty and debt. This course provides the sense making required for the student to understand the rapid development of microfinance, with a multi-disciplinary perspective.

The course objective, at a macro level, is to help the student to learn the major issues and debates in the sector. At a micro level, it will help the students to enter into junior executive positions in the microfinance industry or to provide services to this sectors.

In addition to attending classes, the students are required to actively participate in a Problem Based Learning Exercise requiring them to research and manipulate databases of the World Bank and the Mix Market, as well as coming out with strategies for starting microfinance institutions.

<b>Modules</b>	<b>A: The Development of Microfinance : Sept 5- Sept 9, 2017</b> <b>B: Number of participants for the course will be limited to sixty.</b>
<b>You Should Attend If...</b>	<ul style="list-style-type: none"> <li>▪ You are an ambitious graduate who would like to work in the microfinance sector.</li> <li>▪ You are a social entrepreneur who wants to apply the lessons from microfinance to other sectors.</li> <li>▪ You are a banker who realizes that the future growth of banking is going to be through downscaling to the poor.</li> <li>▪ You are a student or faculty from an academic institution interested in learning how to do research on microfinance.</li> </ul>
<b>Fees</b>	<p>The participation fees for taking the course is as follows:            Participants from abroad: US \$500 /            Faculty members: Rs. 3000/-            Masters/PhD Students: Rs. 1500/-</p> <p>The above fee is towards participation in the course, the course material, computer use for tutorial and assignment, 24 hour free internet facility. The participants will be provided accommodation on payment basis, subject to the availability.</p> <p>Course Fees Payment: The DD should be prepared in favour of “Registrar, Jamia Millia Islamia”, payable at New Delhi and submit to the o/o Controller of Examinations, Gate no20, JMI, New Delhi-25</p>
<b>No of Credit -</b>	01
<b>Registration</b>	The participants should register on the following link: <a href="http://www.gian.iitkgp.ac.in/GREGN/index">http://www.gian.iitkgp.ac.in/GREGN/index</a>

## The Faculty



**Arvind Ashta** is a professor of finance, control and law at the Burgundy School of Business – CEREN in Dijon, France. He offers an optional course in Microfinance and has taught Microfinance as visiting faculty in Chicago, Brussels and Pforzheim, and provided student seminars in Barcelona, Hertfordshire, Nancy and Mysore.

Microcredit is currently his main field of research. His other research interests include crowdfunding, slow money and impact investments. He has edited a book on "Advanced Technologies for Microfinance" and co-edited books on "MIS in Microfinance" and on "Slow Management". He has over sixty publications in international journals, including Ecological Economics, Strategic Change, Innovations, and Cost Management. He has recently published "Microfinance: Battling a Wicked Problem". He has guest edited a number of special editions of journals.

He holds a B.A. (Hons.) in Economics from St. Stephen's College, Delhi University, a PGDM from IIM Calcutta, a LL.B., from Delhi University, a Doctorate in Law from the University of Paris 2 (Panthéon-Assas) and a HDR in Economic Sciences from the University of Lille 1 (Sciences and technologies). He worked 17 years in Corporate Enterprises in India and France in the fields on Management Control and Accounting before entering academics.



**Mr. P. Satish** is Executive Director of Sa-Dhan. Earlier he was the Chief General Manager heading the Micro Credit Innovations Department of the National Bank for Agriculture and Rural Development (NABARD). As a Faculty Member at Bankers' Institute of Rural Development (BIRD) he was instrumental in designing and conducting numerous training and capacity building programmes in the field of microfinance and

has grassroots level experience, having worked as NABARD's District Development Manager in the state of Andhra Pradesh. Initially he was with Reserve Bank of India.

## Course Co-ordinator

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**Vijay Mahajan** is the Founder of the BASIX Social Enterprise Group and retired as its CEO in Oct 2017. Since 1996, the Basix Group has supported the livelihoods of over 30 lakh poor households through microfinance, agricultural and livestock services, vocational training and enterprise development. Mr Mahajan had earlier founded PRADAN a livelihood promotion NGO in 1982. He is a graduate of IIT Delhi; a post-graduate of IIM Ahmedabad and a Fellow of the Princeton University, USA.



**Swetan Sagar**, COO, M-CRIL has an MBA degree from IIFM, Bhopal. He has over 18 years of experience in conducting microfinance institutional ratings, providing TA to MFIs on business planning and risk management and in leading multi-country programme evaluations in the financial inclusion space, across India and 15+ countries in the Asia and Africa region



**Mr. Alok Prasad** is a veteran banker, advisor and the founder CEO of Microfinance Institutions Network, (MFIN), India (2010-2015). He has held senior positions across institutions ranging from the Reserve Bank of India (RBI) to Citibank. Mr. Prasad has worked closely with the RBI, the Government and the Microfinance industry for development of an appropriate policy framework for promoting access to finance in India. Mr. Prasad was the Chairperson of the South Asian Microfinance Network (SAMN) for the period 2013-15.

**Arshad Ajmal**, Vice President , Sahulat Microfinance Society

Working on Interest free Microfinance in Cooperative format. Founder Chairperson of a Multi State Cooperative Society named Al-Khair Cooperative Credit Society based on Islamic principles. Later on worked on establishment of a promoting and facilitating agency for Al-Khair Model, that culminated in establishment of Sahulat Microfinance Society. So far Sahulat established twenty legal entities in 10 States of India with 47 branches.



**Dr. Amir Afaque Ahmad Faizi** served as Professor at Centre for Rural Studies, LBSNAA. He is a Ph.D. (Microfinance and Microenterprises), Jamai Millia Islamia, M.A. (Governance and Development), Institute of Development Studies (IDS), University of Sussex, Brighton, UK, M.A. (Rural Studies) Gold Medallist, Patna University, M.A. (Public Administration). Dr. Faizi was the managing editor of 'Journal of Land and Rural Studies' being published by Sage Publication and author & co-author of many books including 'Self Help Group & Marginalised Communities',

Contract Farming : Protecting Interests of Small and Marginal Farmers in India' , and many other on land governance issues.

## Tentative Schedule

<p>Day 1</p> <p>5<sup>th</sup> Sept 2017</p>	<p>MICROCREDIT AS A RESPONSE TO A WICKED PROBLEM</p>	
	<p>10.30-1130</p>	<p>The Wicked Problem of poverty and multiple developmental solutions.</p>
	<p>11.35-12.05</p>	<p>The Economics of Microcredit: An Instrument To Address A Wicked Problem (and not the only instrument)</p>
	<p>12.05-1.00</p>	<p>The Evolution Of Microcredit (Global Facts, figures, trends)</p>
<p>Day 2</p> <p>6<sup>th</sup> Sept 2017</p>	<p>9.30-12.30</p>	<p>Talk on History on Indian Microfinance</p>
	<p>12.45- 1.45 2.30-4.30</p>	<p>INSTITUTIONAL STUDY OF MICROCREDIT: SUCCESSES AND FAILURES</p> <ul style="list-style-type: none"> <li>• What Made Microcredit Successful? Case studies from Bangladesh (Organisational Level), North Africa and West Africa (macro and meso level)</li> <li>• Unsustainable Growth Of Microcredit (Financial crisis and microfinance, Ethics and microfinance, mission drift, relationship to suicides in India.)</li> </ul> <p>Enabling Institutions To Protect Microcredit (The role of regulation, notably usury ceilings and religion)</p>
<p>Day 3</p> <p>7<sup>th</sup> Sept 2017</p>	<p>9.30-12.30</p>	<ul style="list-style-type: none"> <li>• Talk on Microfinance Strategy</li> <li>• Islamic Microfinance/Interest Microfinance</li> </ul>
	<p>12.40-1.40 2.30-4.30</p>	<p>INNOVATIONS TO MAKE MICROCREDIT A MORE POWERFUL TOOL</p> <ul style="list-style-type: none"> <li>• MIS To Control Operating Costs And Increase Outreach (Case study examples of a software industry growing around microfinance).</li> <li>• Crowdfunding To Lower Financing Costs</li> </ul>

		<p>And Increase Financing. (Focusing on crowdlending with case studies such as kiva)</p> <ul style="list-style-type: none"> <li>• Process Innovations Concerning Risk, Outreach And Impact. (the development of credit scoring, poverty scoring, financial diaries, time use diaries)</li> </ul>
Day 4	9.30-12.30	Talk on Microfinance and Risk Management
8 Sept 2017	12.40-1.40 2.30-4.30	<p>OTHER MICRO PRODUCTS AND SERVICES TO ATTACK POVERTY (2 hours)</p> <ul style="list-style-type: none"> <li>• Reducing Stress Through Equity (A case study of micro-angels investment clubs in France)</li> <li>• Microinsurance, Microsavings (notably index insurance)</li> <li>• Building Entrepreneurial Capacity With Complementary Institutions (notably training)</li> </ul>
Day 5	9.30-12.30	Industry Overview and future of financial inclusion
9st Sept 2017	12.40-1.40 2.30-4.30	<p>: CONCLUSION (1hour)</p> <ul style="list-style-type: none"> <li>• Where are we now? (From Microfinance to Financial Inclusion)</li> <li>• Practical Motivations (Hybrid institutions and management of double bottom line)</li> <li>• Future Directions (regulatory and policy requirement)</li> </ul>