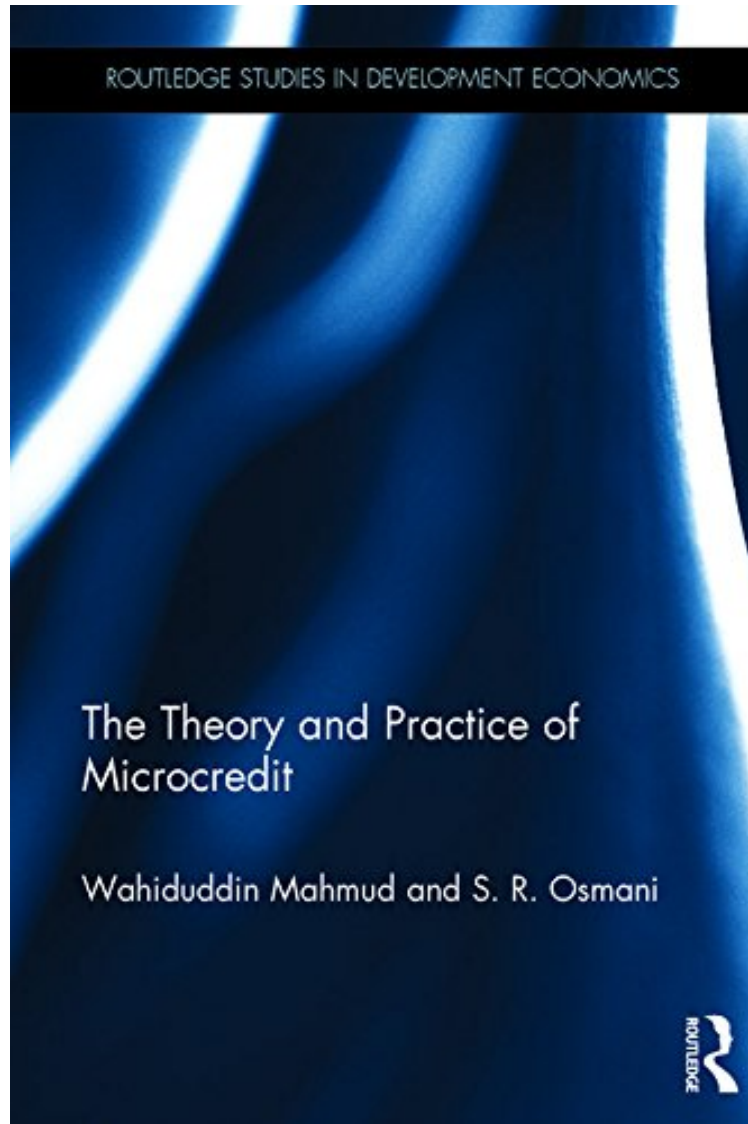


[Free download] The Theory and Practice of Microcredit (Routledge Studies in Development Economics)

## The Theory and Practice of Microcredit (Routledge Studies in Development Economics)

*Wahiduddin Mahmud, S. R. Osmani*

*\*Download PDF | ePub | DOC | audiobook | ebooks*



DOWNLOAD



READ ONLINE

#2722953 in eBooks 2016-10-04 2016-10-04 File Name: B01LWS4FTS | File size: 43.Mb

**Wahiduddin Mahmud, S. R. Osmani : The Theory and Practice of Microcredit (Routledge Studies in Development Economics)** before purchasing it in order to gauge whether or not it would be worth my time, and all praised The Theory and Practice of Microcredit (Routledge Studies in Development Economics):

0 of 0 people found the following review helpful. The Theory and Practice of Microcredit - A Review (by Munir Quddus)By Munir QuddusAlthough microcredit, one of the most exciting strategies in poverty alleviation spread quickly, the academics have finally caught up with their studies and analysis of the how and why of this strategy.

Unfortunately, the literature has often generated more heat than light. In some countries the politicians and the bankers felt threatened by all the attention microcredit and its practitioners were receiving globally. As happens, when the politicians get involved there are a lot of myths and untruths spoken. Fortunately, Mahmud and Osmani have finally written a balanced book, with careful analysis of the evidence and the studies on the impact and effectiveness of microcredit in Bangladesh. They discuss a number of the myths about microcredit propagated by both the proponents and opponents. It is not the silver bullet that will rapidly eliminate poverty. However, it is also not an exploitative strategy to further oppress the poor and create dependency. Rather it is a refreshing approach to dealing with poverty that has succeeded beyond anyone's expectations. It empowers the poor, mostly women. Access to institutional credit is indeed a human right. The success of microcredit across different cultures and geographic areas have shown that the basic model is robust. The trick is in the discipline of small loans, team formation, weekly repayment, and the training that is provided. Despite seemingly high rates, and the rigorous discipline, poor (if not the ultra poor) have responded well and many have benefitted greatly. What we have learned is that the poor are eminently bankable and have sophisticated strategies to save and invest given their lives are full of uncertainties. Bangladesh has been the birthplace and epicenter of this revolution, a fact finally recognized when the 2006 Nobel Peace prize was awarded to Muhammed Yunus widely known as the modern founder of microcredit and his organization the Grameen Bank. Mahmud and Osmani should be thanked for their balanced and scholarly contribution to the literature. This is a must-read for students of social and economic development, scholars and policymakers interested in alleviating poverty throughout the world, including among the wealthy nations.

The remarkable speed at which microcredit has expanded around the world in the last three decades has piqued the curiosity of practitioners and theorists alike. By developing innovative ways of making credit available to the poor, the idea of microcredit has challenged many traditional assumptions about both poverty reduction strategies and financial markets. While this has encouraged new theorising about how microcredit works, the practice of microcredit has itself evolved, often in unpredictable ways, outpacing the development of theory. *The Theory and Practice of Microcredit* aims to remedy this imbalance, arguing that a proper understanding of the evolution of practice is essential both for developing theories that are relevant for the real world and for adopting policies that can better realize the full potential of microcredit. By drawing upon their first-hand knowledge of the nature of this evolution in Bangladesh, the birthplace of microcredit, the authors have pushed the frontiers of current knowledge through a rich blend of theoretical and empirical analysis. The book breaks new grounds on a wide range of topics including: the habit-forming nature of credit repayment; the institutional strength and community-based role of microfinance institutions; the relationships between microcredit and informal credit markets; the pattern of long-term participation in microcredit programmes and the variety of loan use; the scaling up of microenterprises beyond subsistence; the "missing middle" in the credit market; and the prospects of linking micro-entrepreneurship with economic development. The book will be of interest to researchers, development practitioners and university students of Development Economics, Rural Development, or Rural Finance, as well as to public intellectuals.

'Microcredit turns out to be a much more interesting (and controversial) proposition than first imagined. Mahmud and Osmani have had front row seats to the unfolding history of microcredit in Bangladesh - and they have played key roles in that history. Their inside perspective yields a clear-eyed view of the way that microcredit has played out in practice and where it is going. Their analysis, in turn, provokes us to revisit fundamental ideas about microcredit - and about finance in general.' ? Jonathan Morduch, co-author of *The Economics of Microfinance* and Professor at the New York University Wagner Graduate School of Public Service, USA. 'The field of microcredit has been characterized by extremely polarized views which frequently end up shedding more heat than light. So we are fortunate to have a serious and balanced analysis by two leading development economists from Bangladesh where microcredit has a long history. By offering a close reading of the evolving history of microfinance institutions in the country, by shifting the analytical focus from a narrow concern with enterprise to a broader focus on livelihoods and by factoring in an assessment of spill-over effects on the local economy, the authors offer a persuasive account of the strengths and limitations of microcredit.' ? Naila Kabeer, co-author of *Money with a Mission: Microfinance and Poverty Reduction* and Professor of Gender and Development at the London School of Economics, UK. 'This valuable book addresses both the conceptual foundations of microcredit and its reality, with special reference to Bangladesh?in many ways the home of the modern microcredit movement. The authors show deep knowledge of the ground level institutional landscape, a facility with analytical approaches, and an appreciation of the interactions between the two. The book will be useful for students as an introduction to the topic, and as a refresher for practitioners to dip into.' ? Ravi Kanbur, T.H. Lee Professor of World Affairs, International Professor of Applied Economics and Management and Professor of Economics, Cornell University, USA. About the Author Wahiduddin Mahmud was, until recently, Professor of Economics at the University of Dhaka and is currently Chairman, Economic Research Group, Dhaka, Bangladesh. He is a founder and former chairman of Palli-Karma Sahayak Foundation (PKSF), the apex wholesale microcredit lending institution in Bangladesh. He is also a Senior Country Advisor of International Growth Centre, the

Chairman of the South Asia Network of Economic Research Institutes, and is on the Governing Board of the Global Development Network. He served as a member of the UN Committee for Development Policy and has held visiting positions at the World Bank, UN Development Programme (UNDP), International Food Policy Research Institute (IFPRI) and Institute of Development Studies (IDS) at Sussex University. S. R. Osmani is Professor of Development Economics at Ulster University, UK. He obtained a PhD in economics from the London School of Economics and worked at the Bangladesh Institute of Development Studies, Dhaka, and at the World Institute for Development Economics Research, Helsinki, before joining Ulster University. He has published widely on issues related to employment and poverty, inequality, hunger, famine, nutrition, rights-based approaches to development, and development problems in general.