

## **Micro Credit in Western Europe: Case Study of the UK (2010)**

Syed Ali Tarek\*

*With an ultimate urge to eradicate poverty from the third world nations the idea of micro-credit took birth. In the UK where estimated 3.5m people do not have a bank account or access to credit makes a royal ground for micro credit to play its part to deliver credit to this credit unworthy people to change them forever. Not so widely practiced micro credit is not new in Western world. In the UK the social welfare based system and the traditional credit system often creates a barrier between an entrepreneur and an entrepreneur to be. This paper seeks the view of the Micro credit and its related services status in the UK as per year 2010. A root level questionnaire based survey was conducted and the data was analyzed to comment on the current status and suitable recommendations to overcome the barriers are presented.*

JEL Classification Codes: G21, G28, 021

### **1. Introduction**

Financial freedom driven new ideas and thoughts have come up quite often in developing countries. Few of them got attention and Micro credit is one of them. With the rise of neo-liberal development ideology in the early '80s a great deal of emphasis has been placed on the development of micro enterprises through micro credit. Contrast to third world countries in the UK existence of poverty is relative and to add with that social exclusion is a big issue. Nevertheless both of these problems generates from one source lack of finance or access to sources of finance. Smaller amount of financing does exist in different member states of Western Europe in the name of personal loan, business loan etc. They merely are meant to turn a jobless person an entrepreneur as without a verifiable credit history or guarantor they are not going to get a penny. However, in the UK in recent years micro credit is promoted by the Govt. and the building societies. The current status of the micro credit and the opinion of the people living in the UK are sought in this paper.

### **2. Literature Review**

Micro credit is a small loan provided to people in financial difficulty intended to encourage entrepreneurship. These people do not have any demonstrable credit history or collateral to get access to mainstream financial products offered by various financial institutes. The idea of micro financing is not new. Locally arranged and managed credit facilities existed for years but it merely meant constituting a bridge towards financial freedom for the financially deprived section of the society.

---

\* Syed Ali Tarek BA(Hons) Business Administration (University of East London) and BSc (Hons) Computer Engineering (North South University), Email: syedalitarek@gmail.com, Contact Address: 156 A, Plumstead Common Road, London SE18 2UL, Phone: +4407708938380

## Tarek

Getting financed without any collateral is the main gist of micro credit offerings. Despite its critics it has achieved noticeable growth over the few years which are truly remarkable. One of the lead workers in this field is D. Muhammad Yunus who played pioneer role to bring the concept of financial support to poor people of Bangladesh. Yunus(2007) in his book 'Creating a World Without Poverty: Social Business and the Future of Capitalism' explained the way he had seen the establishment and growth of micro credit in Bangladesh. The focus was on how Grameen Bank and related companies succeed to give power to poor women and their families to overcome poverty. One of the interesting findings was the poor are indeed capable of problem solving and they often need fewer resources to pull out of the poverty. 16 factors that are used to measure poverty are very thoughtful. Yunus (2007) has presented some ideas for different models relating 'social businesses'. He advised to all maximum profit targeted companies to ensure they meet the basic needs of humans to help the society. In fact, creating social businesses normally use a fewer resources and needs less initiatives and with higher possibility leads to better result which is important to consider for western world.

Commonly, micro credit in the UK addresses two groups: "micro-enterprises" and "socially excluded people" these groups might desire to move to self-employment however cannot access traditional financial institutions. As micro credit can take different forms to perform diverse roles, in the UK it is predominantly used as a means of encouraging self employment and creation and progress of micro-enterprises. In most cases this links to promoting from unemployment to self employment status. Barnes (2002), in his explanatory book 'Poverty and social exclusion in Europe' explored the nature and extent of poverty and social exclusion in six European countries, of them the UK is one. There are approximate 60 million people living in poverty throughout the European Union. The book pin pointed on four 'life course' groups: young adults, lone parents, the sick and disabled, and the retired who are in risk of social exclusion. In the book he sought the solution for social exclusion and tried to find out ways that lead those high risk groups in social inclusion; micro credit is indeed a useful tool to help the population at risk of poverty.

Rogaly et al (2000) also worked on poverty and social exclusion in England. They compared the existing successful models of micro credit and analyzed the probability of micro financial services to diminish poverty and fight social exclusion in England. They figured out various ways to battle financial exclusion in England and discussed about enabling people to build assets at the same time gain capital, and supply instruments for the wealth retention in communities who were being left by banks. Barbara et al (2010) in their edited 'Handbook of Microcredit in Europe' analyzed the current state of European micro credit and the way they are accepting and following the developing world model for economic development. He also examined how a particular country initiative fosters entrepreneurial behavior. Chapter 1 of the book summarized the standing of micro credit sector in the UK. With an overall analysis they focused on the role of Community Development Finance Institutions (CDFIs) which is sovereign, sustainable monetary institutions offer small credits for different purposes. Their view was of social inclusion through micro enterprise development.

# Tarek

Micro credit's achievement in developing countries has highlighted how micro loans can support people living at the bottom of the 'socio-economic pyramid'. However, critics argue that micro credit is not a universal remedy for poverty alleviation and it is not able to reach to poorest of the poor. However, millions of poor people from developing countries have benefited from microfinance services. In the rising micro credit sector in Europe more effort is due to enhance the entrepreneurial spirit and improve the operations of microfinance programs (Kolbmüller, B. 2009). As per the statistics 20% of the rich people earn more than 80% of the global income; in a situation like this no development will be sustainable unless the income gap is reduced (Rogers 2008). Micro credit or the broader term micro finance is an example of an innovative way by which banks can foster sustainable banking. In England HSBC and Lloyds TSB bank is already playing a significant role in providing micro funds to the (relatively) poor segment of the society to overcome social exclusion.

After going through the existing literatures in micro credit field, conclusion can be made that, it is neither flawless nor it's the panacea for poverty. However, definitely it has the ability to change the prospect of poor people that is a great achievement on its own. Every poor is an entrepreneur might sound too much optimistic to some critiques but with proper training and knowledge anyone can change his/her future. The social inclusion of the high risk groups is something that each and every European country cherishes. Provision of micro credit through different channels to those people and micro enterprises will surely play a positive role in their economy. Future researches will involve study of the challenges that micro credit system and institutions are going to face in future and how Europe incorporates micro finance in their economy. Sustainable development of the society in the means of economic, social and environmental fostered by micro financing might also include in further studies.

### 3. The Methodology and Model

The conceptual framework of the study can be illustrated by the Figure 1:

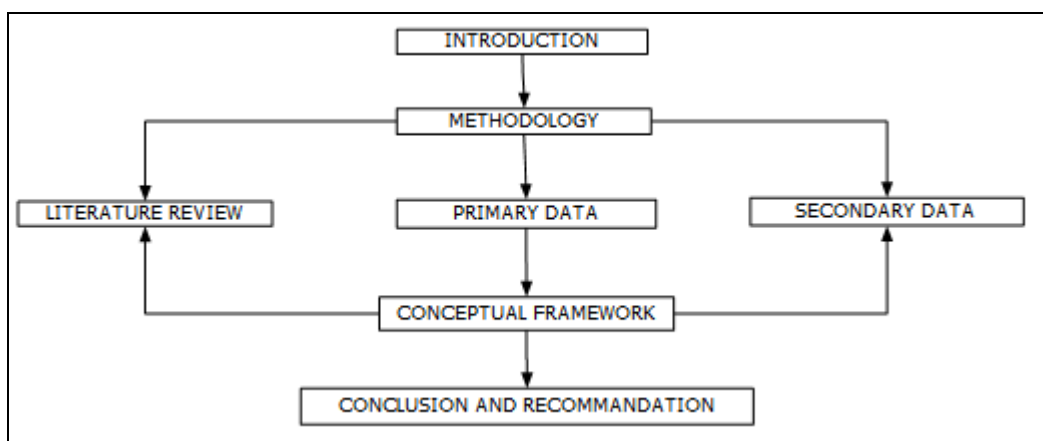


Fig 1: Research Framework

# Tarek

## **Primary:**

A relatively limited amount of primary research was undertaken in form of questionnaire. The primary data were gathered through two surveys by questionnaire to evaluate prospective consumers' attitude toward micro-credit and its facilities. The first survey was for individuals and number of participants was 200. The next survey was for financial institutes. 20 bank/building society, MFIs, CDFIs and other micro fund lenders were surveyed to judge the current policies and its future.

## **Secondary:**

Relevant data regarding micro-credit and its framework in different countries is being gathered through books, journals, newspaper and internet or other sources.

Research strategy of the whole research was 'Survey', because of its advantage of representing huge amount of data from a sizeable population in an economically efficient way.

## **3.1 Data Collection**

Quantitative data collection method was chosen for the research. As for convenience, the first set of survey questionnaires were being used to survey 200 residents of London residing in 10 different boroughs. They were conducted face-face. For the second survey 20 high street bank/building society and other financing institutes were approached and most of the survey was one-one; a few were sent electronically via internet and received as emails.

## **3.2 Limitation of Sampling**

'Simple Random Sampling' is vulnerable to sampling error as the randomness of the selection of population might result in a sample that doesn't reflect the actual intended population. As the sample size is relatively smaller considering the total population of the UK, it is presumed that the survey result will deviate to some extent from the actual scenario.

## **4. Data Analysis and Presentation**

As an integral part of the research work it was necessary to conduct a survey to judge the present situation. The findings from the survey are being analyzed in this chapter.

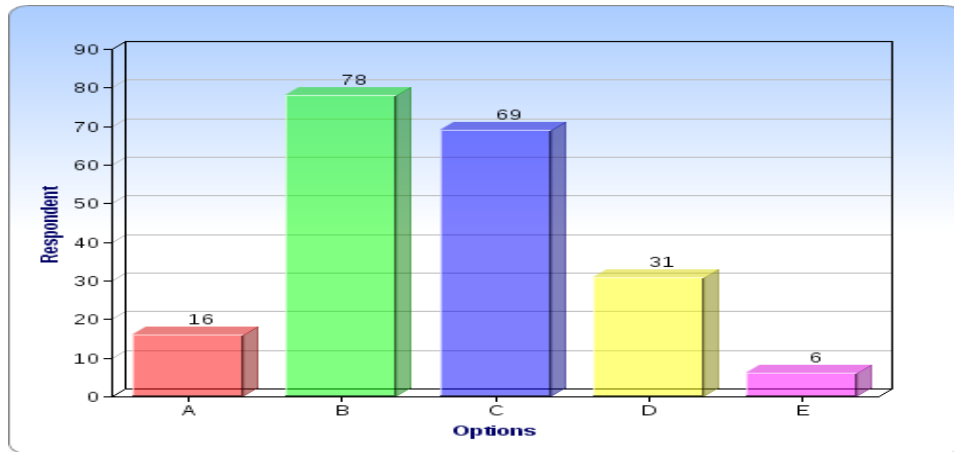
### **4.1 Individual Survey**

The data collected from the individual survey is presented below:

#### **Question 1: Which Age group do you belong to?**

- A. 0-16
- B. 17-30
- C. 31-50
- D. 50-70
- E. 70+

# Tarek

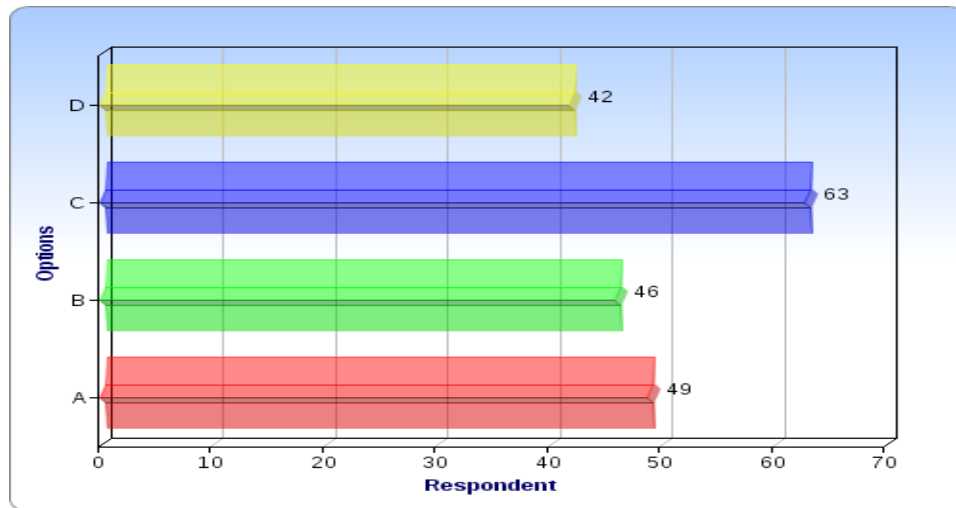


**Figure 3 : Question 1 [Individual]**

So from the graph we can see the population the survey addressed was mostly people between 17-50 age groups. It is a very good population sample as it covers the traditional 'can work' category of people.

## **Question 2: Your occupational status?**

- A. Student
- B. Self employed
- C. Working either as private or govt. employee
- D. Jobless



**Figure 4 : Question 2**

From this question we can see option B and C comprises 54% of the sample group who are involved in economic activities whereas 21% is studying and another 25% is

## Tarek

jobless. If these 25% can be bought under self-employment via training and micro financing then that would be the best scenario.

### Question 3: Your residential status?

- A. Homeowner
- B. Private Tenant
- C. Council Tenant
- D. Homeless

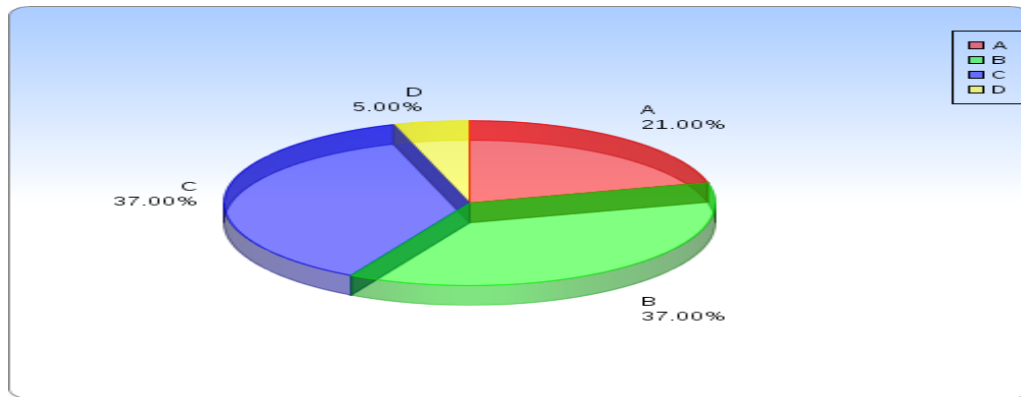


Figure 5: Question 3

From this we can see only 5% is homeless other than that 21% is homeowner as per question 2, 25% (i.e. 42 people) is jobless so either they fall under the homeless group or council tenants. So they are living on benefits.

### Question 4: Have you ever approached any financial institute for business finance?

- A. Yes
- B. No

Their response regarding this question is given below with graphical interpretation:

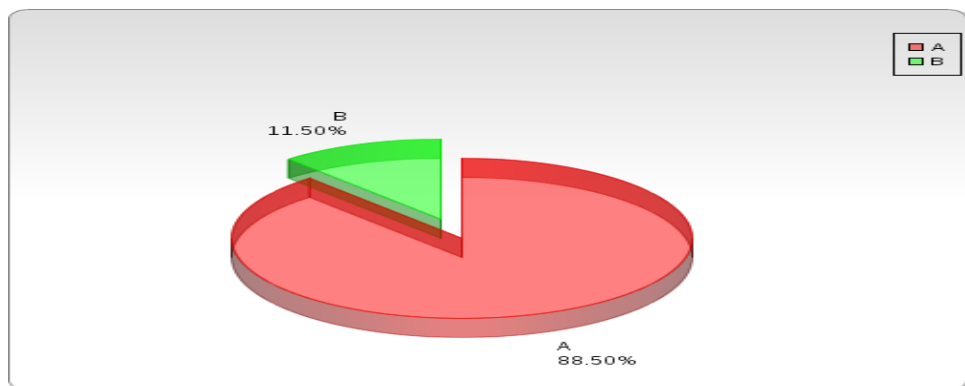


Figure 6 : Question 4

## Tarek

From this we can see that most of the people have approached to financial institutes for finance. The rest 11.5% never approached to any financial institutes. The reason might be fear of getting refused or lack of business skills and training.

### Question 5: Were you successful to get the finance?

- A. Yes
- B. No

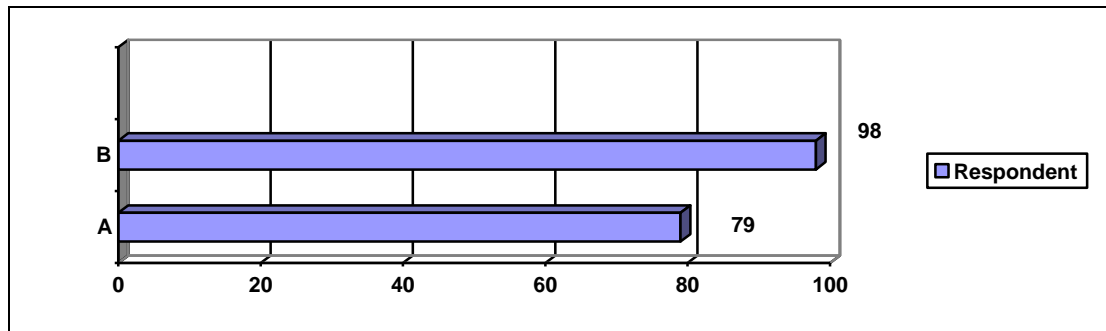


Figure 7 : Question 5

It shows that regardless of willingness it's tough to get loan from banks or building societies. 55.37 % of the respondents were refused for financial assistance. It proves there are still administrative barriers to provide micro loans to individuals. And yet tough they had a business plan they were refused to get help.

### Question 6: Were your interest rate alarmingly high?

- A. Yes
- B. No

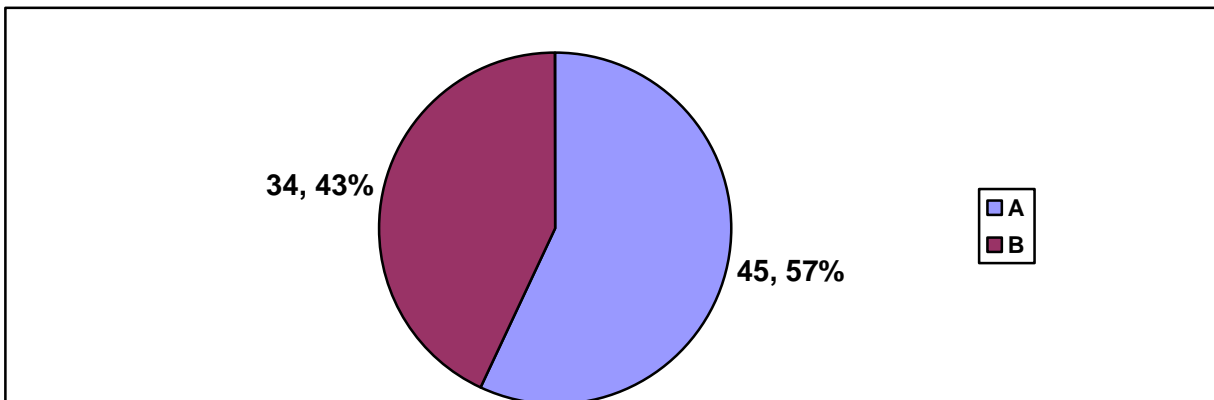


Figure 8 : Question 6

Tough the interest rate for SMEs is getting lower these days but still the survey find outs 56.9% thought their interest rate was alarming. It depends on their circumstances and nature of business and money generating ways. 43.1% said the interest rate was okay that is a good sign.

# Tarek

## Question 7: Was there provision of alternate repayment options?

- A. Yes
- B. No

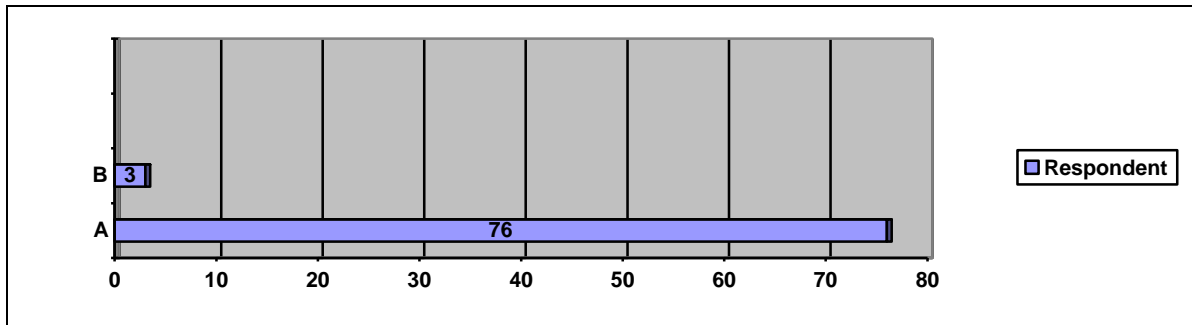


Figure 9: Question 7

This is indeed a very good response. It proves in the UK the framework to implement successful micro financing is already present. The only 3.79% said they did not have any repayment options. It might have been because of 3<sup>rd</sup> party lenders.

## Question 8: What was the outcome of the financing?

- A. Spent for personal needs
- B. Invested in business

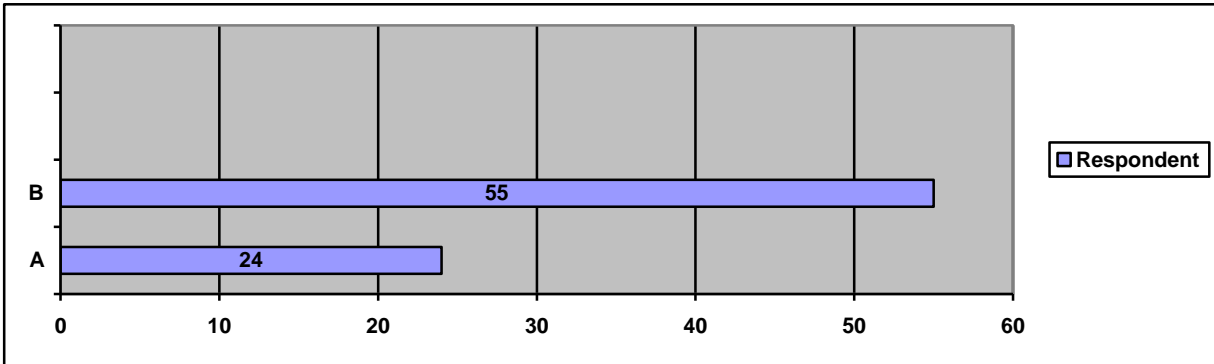


Figure 10: Question 8

So despite having a solid business plan 30.37% wasted the money for their personal needs. This makes it tougher for them to get the monetary support again. Rest 69.63% were able to use the money on their business.

## Question 9: What's the status of your business?

- A. Running with no profit-no loss.
- B. Running and generating profit.
- C. Closed down within the first year.



## Tarek

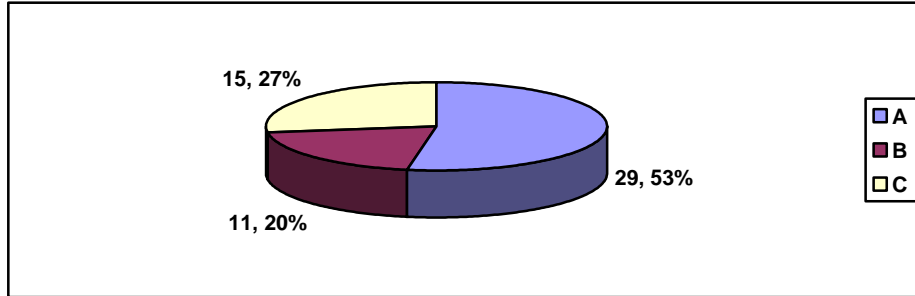


Figure 11 : Question 9

A significant percentage of people that is 53% are holding the business because they prefer to be self employed. 20% of them are running with profit which is definitely praiseworthy and the rest 27% who were closed down in first year might lost it because of lack of training and market knowledge or higher interest rate to be paid to the lender.

**Question 10: Do you have any innovative idea that might turn into successful business?**

- A. No idea.
- B. I think so.
- C. Yes definitely, but can't get finance.

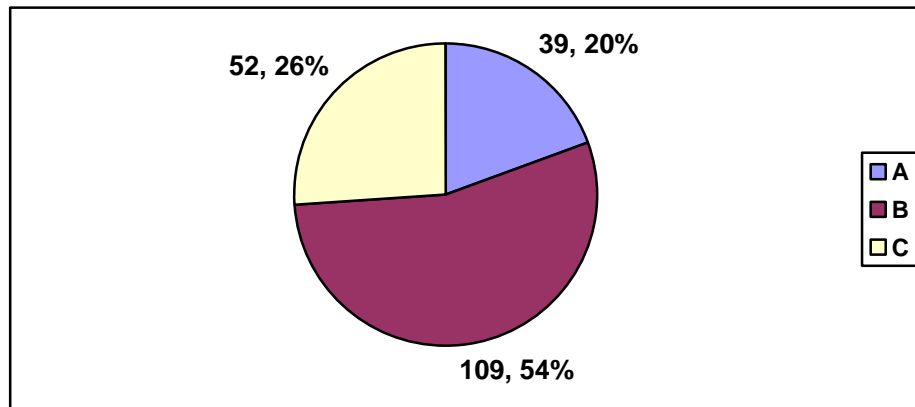


Figure 12 : Question 10

From the above pie chart it is clear that 80% people have some business ideas. So probably they will need more training and money to get started. 20% of the respondent didn't comment.

**Question 11: If you are offered financial assistance will you take it and start working on your business idea to make it a reality?**

- A. Yes of course.
- B. Depends on circumstances.
- C. No, I had enough experiences.

## Tarek

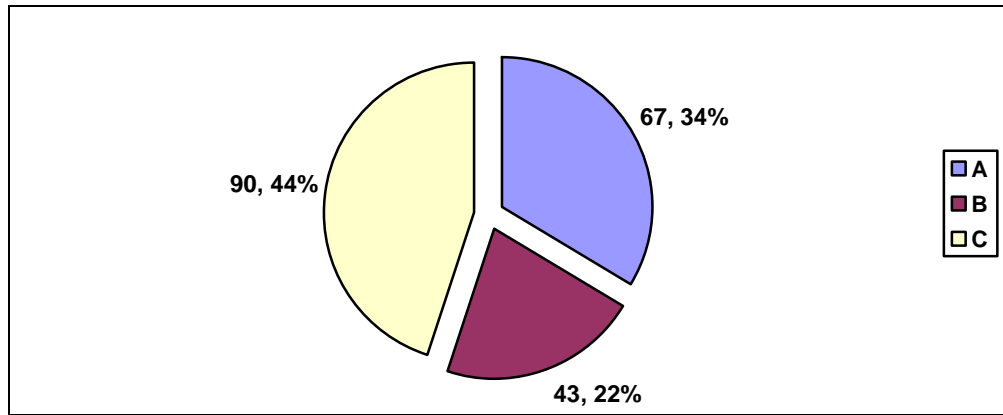


Figure 13: Question 11

### Question 12: What is your thought on micro-credit (small loans)?

- A. Great, encouraging.
- B. Good for starters.
- C. Just another financial trap.

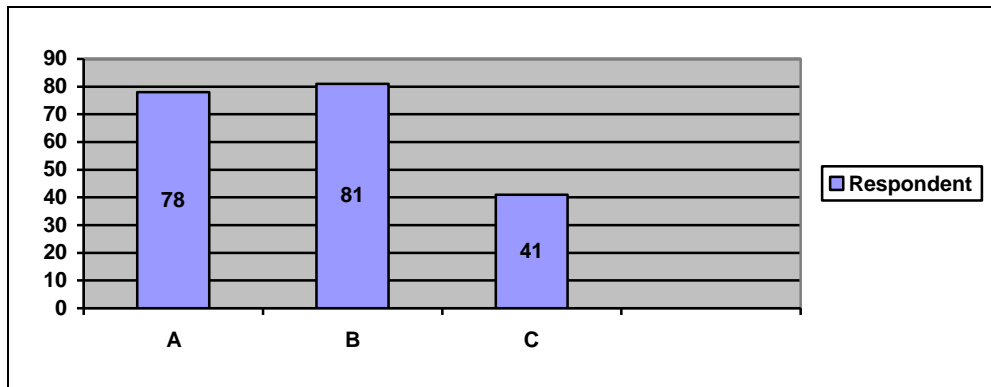


Figure 14: Question 12

From the responses it's evident that most of the respondents have positive thought about micro financing. The critiques are probably the ones who got refused or being given a loan at higher interest rate.

### Question 13: Comment on the activities of financing institutes (Banks, CDFIs, MFIs etc.)?

- A. Providing helpful advices and real chances to get started.
- B. Somewhat discouraging with their high interest rates.
- C. Limited packages.

## Tarek

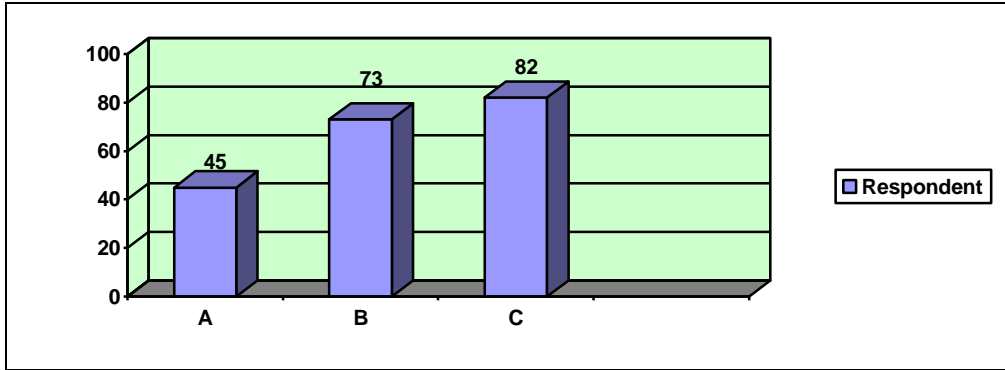


Figure 15: Question no 13

It can be seen from the answers that micro-financing institutes should offer more packages at a significantly lower rate to the credit unworthy people so that they can participate. Also providing advices and training should also be kept in mind.

### 4.2 Financial Institutes Survey

The data from second survey that dealt with various financing institutes is given below:

#### Question 1: Type of institution?

- A. Bank/Building society
- B. Credit Union
- C. Micro-financing institution
- D. CDFI
- E. Other

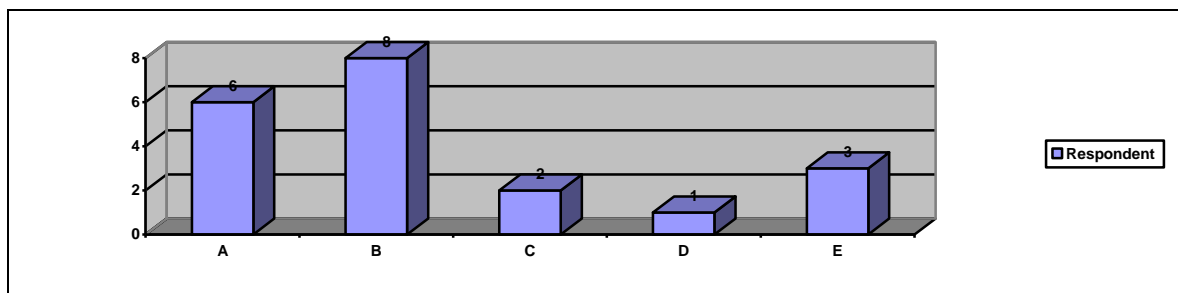


Figure 16: Question 1 [Financial Institute]

The above bar graph represents the number of different institutes participated in the survey. Bank and credit unions leads the stats here.

#### Question 2: Do you have different micro financing packages?

- A) Yes
- B) No

## Tarek

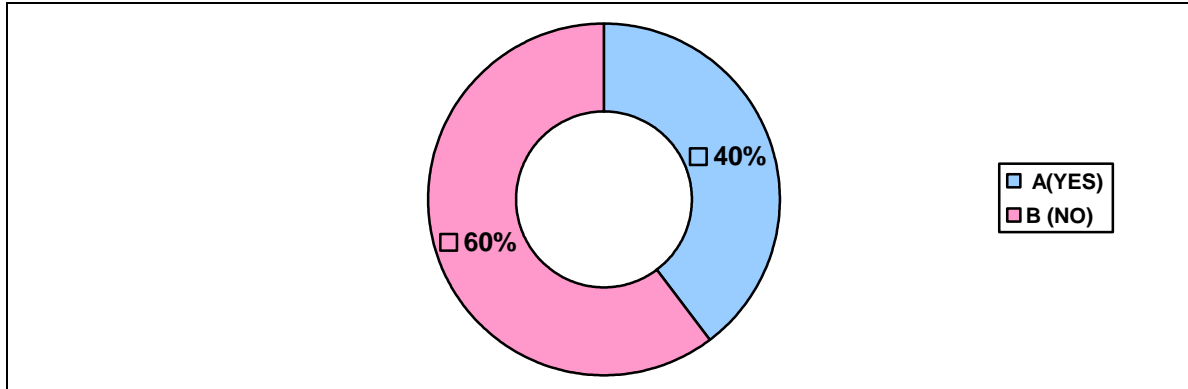


Figure 17 : Question 2

We can see most of the approached financial institutes do not have separate micro-credit packages which is very important to reach to the target mass.

### Question 3: Which age group comes most for business loan?

- A. >16 and <30
- B. >30 and <50
- C. 50+

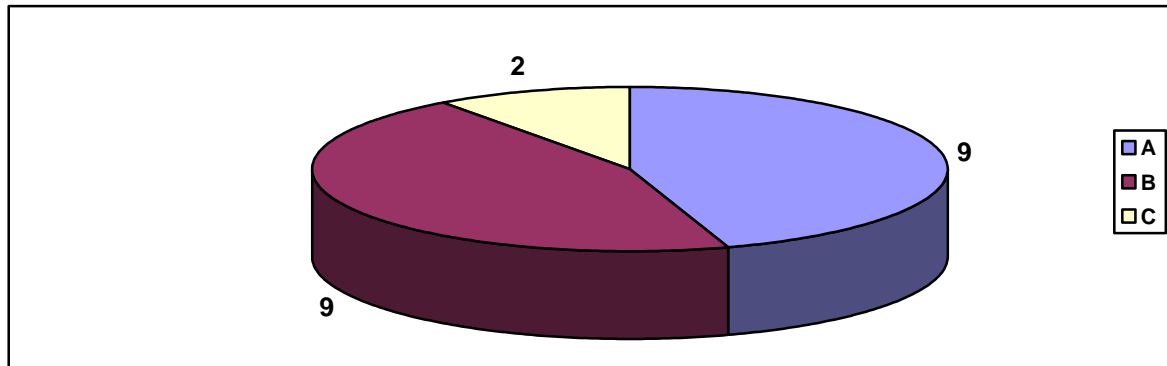


Figure 18: Question 3

So mostly people from 16-50 comes for business loans to the financial institutes. So it means they are atleast aware of the micro-financing.

### Question 4: What is the possibility of credit unworthy people getting traditional credits?

- A. Very Unlikely
- B. Possible with guarantor

## Tarek

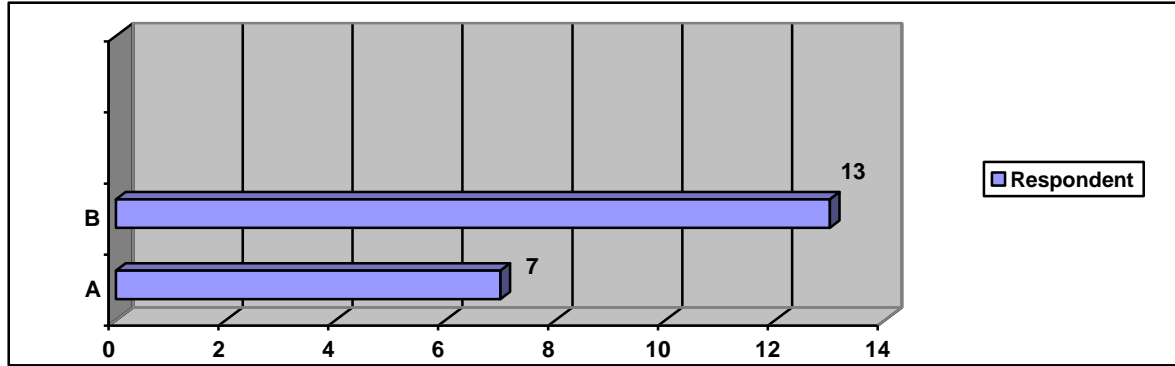


Figure 19: Question 4

As we know micro-credit is for those who lack deposit so from this question response we can say traditional banking is likely to refuse credit. 65% agrees that they might get the assistance if they can provide guarantor.

### Question 5: What is the success rate of the micro loan facilities you provide?

- A. 91%+
- B. 70%-90%
- C. 40%-69%
- D. 0-39%

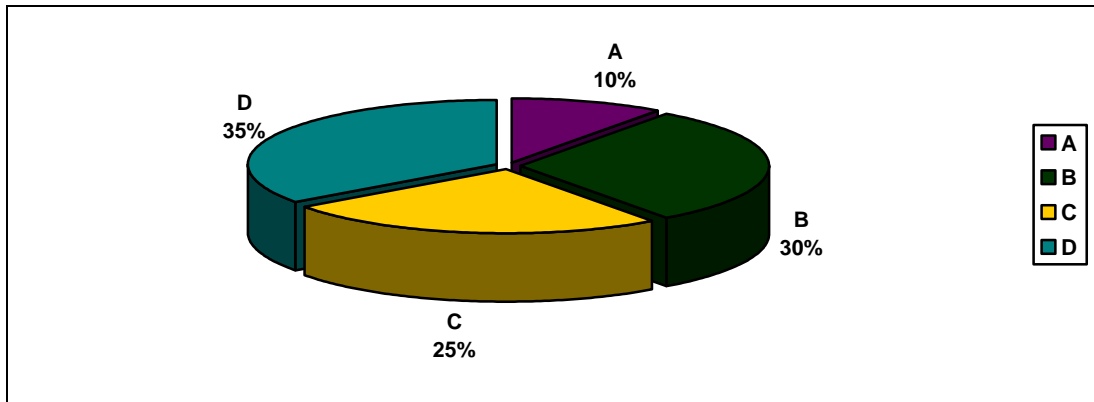


Figure 20: Question 6

We can see success rate with on or above 70% has got highest entries. This is a good sign. This means the loans are getting recycled.

### Question 6: What's your comment on loan recycling?

- A) The loans completely get recycled.
- B) A portion of the loans gets recycled.

# Tarek

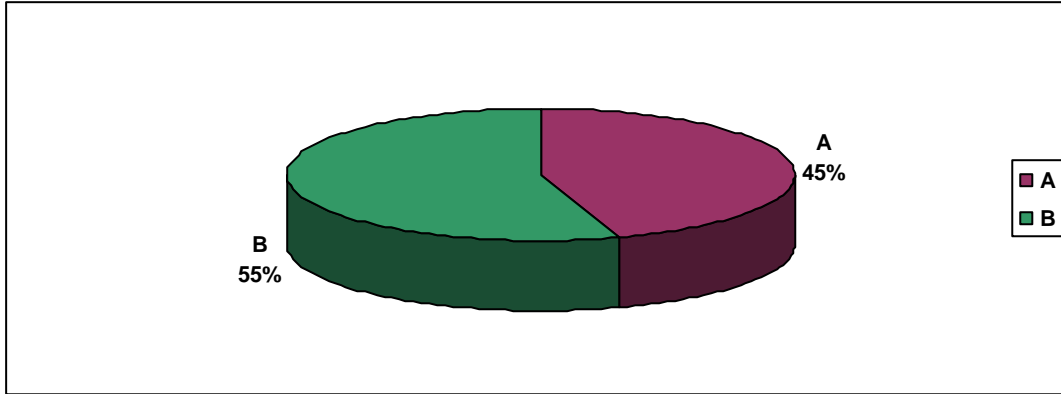


Figure 21: Question 7

If the loan gets completely recycled then it will be a sustainable solution. 45% respondent said the loans are getting recycled. But, still majority 55% of the financial organization is struggling to recycle the full amount of loan.

## Question 7: After finishing a scheme do your clients become eligible for better funding?

- A. Yes, straight away.
- B. No, it will depend on client's recent circumstances.

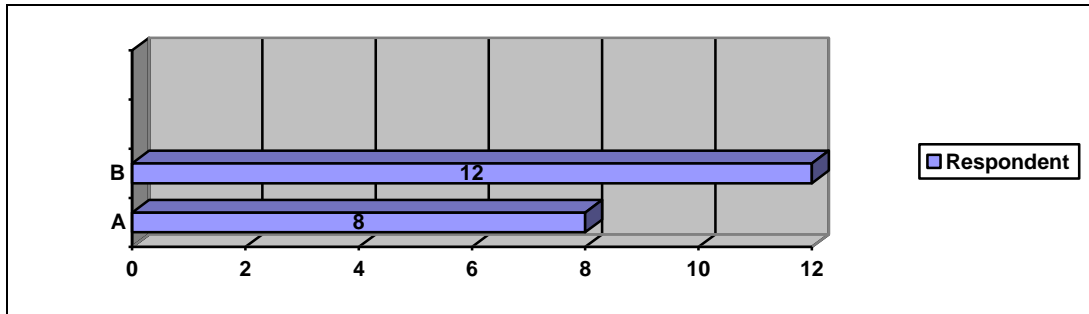


Figure 22: Question 7

This is not a good indicator. Every institution should try to bridge the gap between micro to mainstream financial services. Only 40% of the consumers can have a change extend further financial services without any hassle. Rest have to go through the same process.

## Question 8: Do you provide customers with planning and training on proper use of the fund?

- A. Yes, always.
- B. Yes, if they ask.
- C. No

## Tarek

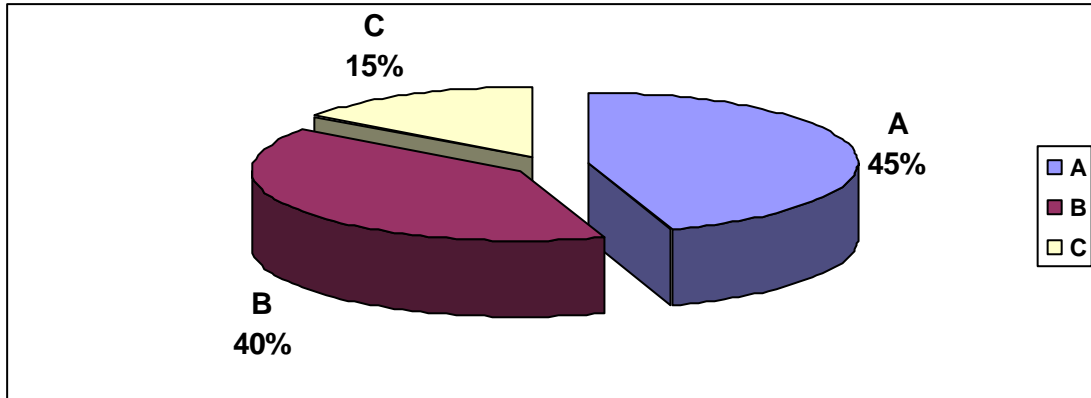


Figure 23: Question 8

It is good that 85% of the financing institutes provide assistance with loan. Only 15% does not provide any help. If adequate assistance is not provided it is likely that new businesses will face the hardship to get a stable start. To ensure the money is being better utilized every institute should do this.

**Question 9: Does your institute tries to differentiate between 'poorest of the poor' and 'poor' in times of loan decision?**

- A. No such infrastructure.
- B. Yes, in several cases.

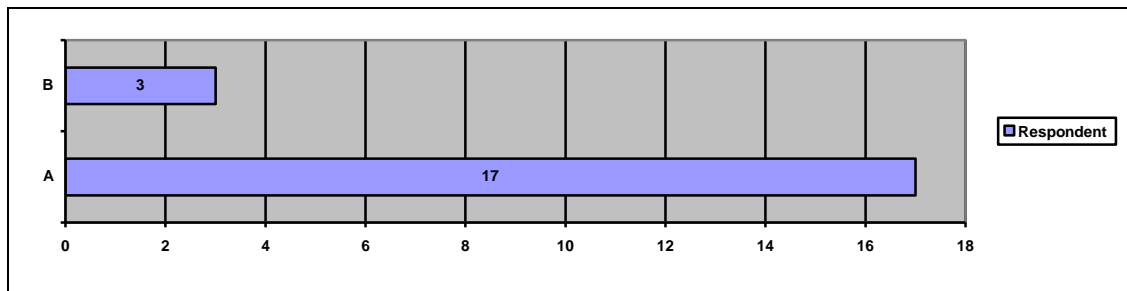


Figure 24: Question 9

This is a very interesting point. Though the banks or other financial institutes do offer micro loans but 85% does not possess infrastructure to differentiate between the poor and the poorest.

**Question 10: Sustainable social development through micro-finance is possible—Do you agree?**

- A) Yes, with precise framework and govt. policy.
- B) Yes, to some extend it might help the society.
- C) No, micro-financing alone is not the solution.

## Tarek

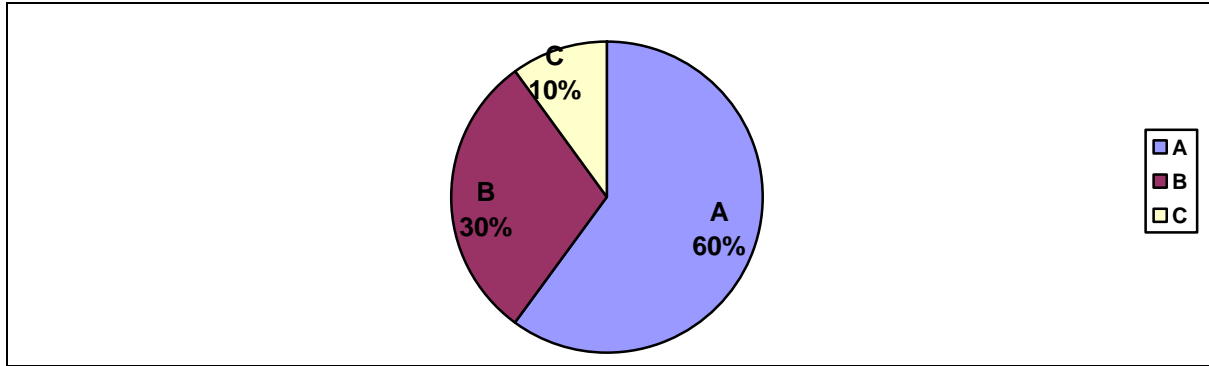


Figure 25: Question 10

So according to majority, micro-credit driven financing can help society to gain sustainable development. But for that necessary frameworks and policies should be reviewed.

As per the survey results we can see that there are a higher percentage of people who are already benefited by the micro financing, there are also higher percentage of people who have potential to move to self employment but they need a more flexible way of financing and repayment. The financial institutes should come forward with tailored financing packages to attract more and more people and they must make their clients financially literate. Financial institutes should also focus on loan recycling that will ensure that the funding is sustainable.

## 5. Recommendations

Throughout the carried research it has been found out that the UK possesses an excellent environment to support micro lending activities. A few revisions in the policies will speed up the whole micro-financing process to a large extent. Some of main ones are listed below:

### ***5.1 Policy measures that foster entrepreneurship***

- 1) Introduce awareness programmes to let people know about the positive sides of self-employment and entrepreneurship in educational institutes and recruitment agencies.
- 2) Reduce legal and admin barriers to favor micro-enterprises. For example: tax holiday and easy business registration.
- 3) One-stop, temporary assistance for creation of micro-enterprises.

### ***5.2 Policy measures to promote micro-enterprise support organisations***

- 1) Mentoring, training etc. supportive programmes for non-financial services.
- 2) Tax incentives and waivers for micro-enterprise support organizations.



## Tarek

- 3) Subsidize interest rate and also subsidize funding for MFIs to cover related costs. By the time the industry gets competitive they might charge a small amount of fee per loan.
- 4) Form trade association to help micro-enterprise support organizations.

### ***5.3 Policy measures that strengthen links between potential self-employed people and micro-enterprise support agencies***

- 1) Provide clear and precise information to potential micro-entrepreneurs through appropriate channels (internet, telephone etc.).
- 2) Classify clear-cut referral systems for potential micro-entrepreneurs.
- 3) Maintain documentation and employ appraisal methods for successful client identification.

### ***5.4 Policy measures that reduce the barriers between social system and employment/enterprise system***

- 1) Monitor closely the individual who moves from benefits to self-employment for that establish alliance between social welfare system and enterprises.
- 2) Different sources of income should have smooth transition between both the systems.
- 3) Provide incentives for self-employment via active labour market policy.
- 4) Train staffs at employee bureau to offer self employment as an identical alternative for waged employment.
- 5) Introduce financial and business courses to social welfare workers.

### ***5.5 Policy measures that encourage unemployed to become self-employed***

- 1) Research should be carried out constantly to measure roots of social exclusion and poverty also their possibilities to become self-employed.
- 2) Barriers to social participation should be addressed by the programs that assist people at-risk of poverty.
- 3) Income generating capability should be tested by the income bridges.
- 4) Like waged employment, in-work benefits should be offered for self-employment
- 5) Like waged employment same opportunities should be offered for self employment.

### ***5.6 Policy to strengthen legal and regulatory framework for micro-finance***

- 1) Micro lending should be regulated by specific legislation so that they do not get involved in unfair competition with mainstream financial institutions.
- 2) Reduce capital requirements for micro-credit institutions.
- 3) Favor micro-credit institutions through tax waivers or incentives.
- 4) Ease opportunities to catch the attention of commercial sources for micro-lending.

## Tarek

5) Sufficient protective private law to avoid indebtedness.

### ***5.7 Policy measures that strengthen links between micro-finance organisation and banks***

- 1) Application of risk sharing loan instruments thus banks can analysis credit worthiness of self employed client.
- 2) Tax incentive options for banks supplying funds to micro-credit retailers.
- 3) Outsource loan transaction documentation like business plan preparation and analysis, credit analysis to micro-enterprise support organizations.
- 4) Sharing of office place.
- 5) Cross-selling of services.

### ***5.8 Policy measures that promote diversified funding instruments for micro-enterprises***

- 1) Tax benefit for starters.
- 2) Business support providers should get tax benefit.
- 3) Favorable tax rule for donors.
- 4) Promote risk capital instruments to starters.

### ***5.9 Policy measures that strengthen partnerships between micro-enterprise support organisations***

- 1) Conduct research to advice how governments can assist micro enterprises to strengthen efficiency and effectiveness.
- 2) Exchange of information between different agencies related to micro funding.
- 3) Use of client referral for more target able consumer.

## **6. Summary and Conclusion**

During the research, it has being found out that in the UK micro financing is already getting promoted. The 2010 financial budget of the UK has given SMEs a lot of flexible opportunity to grow by allocating £15bn more public sector contracts to SME sector. This research work also figured out the possible integrations of micro credit driven activities to the traditional economy. The roles of banks, building societies, CDFIs, MFIs are being reviewed. The most important thing will be to give various incentives for the starters so that they feel motivated. In the current economic situation the UK can not just allow living in benefits which comes from the taxpayer's money as a permanent solution to support the socially excluded. The current system gives a 'National Minimum Wage' it should also have a 'Maximum Income Cap' for different job sectors so that everybody gets equal chance to use their ability to earn. The transition from the existing benefit system to self employment will definitely need time. During this period the micro financing institutes should come forward to raise the awareness about being self

## Tarek

employed along with providing ample training sessions so that people know how to be money-wise before going into any endeavors.

A number of recommendations have been added which will add significant pace in involving micro financing options throughout the UK. To make something new to work perfectly it is evident to have a robust legal framework. The target population in the UK should be addressed with various micro budgeting projects that will give them the option to choose the one they really want to go for. The interest rate of the loans are getting lower that is a good sign but after providing loan the institutes should keep on monitoring the progress so that when in need they can get help from their lenders also the lender might provide financial training to the small business starters so that they can avoid the difficulties faced while doing the deployment. That will be a great addition to the traditional loan scheme.

To conclude with, micro-credit has enormous possibilities in the UK. More awareness about using innovative ideas with small amount of financial help from financial institutions across the nation might increase the number of people choosing self employment as an equal opportunity compared to waged employment. That will definitely bring the well cherished change in the society by means of social inclusion and minimizing poverty level.

## References

### **Books:**

- Ayre, G. & Callway, R. 2005. Governance for sustainable development: a foundation for the future. : Earthscan.
- Barnes, M. 2002. Poverty and social exclusion in Europe. : Edward Elgar.
- Barua, P. & Sulaiman, M. 2007. Is the BDP Ultra Poor Approach Working? Survey of Some Key Issues. Dhaka, Bangladesh: BRAC.
- Bornstein, D. 2007. How to Change the World: Social Entrepreneurs and the Power of New Ideas. 2nd ed. USA: OUP.
- Fairbourne, J. S., Gibson, S. W. & Dyer, W. G. 2008. *MicroFranchising: Creating Wealth at the Bottom of the Pyramid*. : Edward Elgar.
- Goggin, N., Dayson, K. & McGeehan, S. 2010. Microcredit Sector in United Kingdom: The Role of CDFIs. In Jayo, B., Lacalle, M., Rico, S., Dayson, K. & Kickul, J. Eds., *Handbook Of Microcredit In Europe: Social Inclusion through Microenterprise Development*. pp. 12-55. UK: Edward Elgar Pub.
- Jeucken, M. 2001. Sustainable finance and banking: the financial sector and the future of the planet. : Earthscan.
- Kolbmüller, B. 2009. Microcredits - Roots, Prospects and Status Quo in Western Europe. : GRIN Verlag.
- Misra, I. 2007. *Micro-credit For Macro Impact On Poverty*. India: National Publishing House.
- Morduch, J. & Haley, B. 2002. Analysis of the Effects of Microfinance on Poverty Reduction, Working Paper edn, NYU Wagner, New York, USA.

## Tarek

- Rogaly, B., Fisher, T. & Mayo, E. 2000. Poverty, social exclusion and microfinance in Britain. England: Oxfarm.
- Rogers, P. P., Jalal, K. F. & Boyd, J. A. 2008. An Introduction to Sustainable Development. : Earthscan.
- Yunus, M. 2008. Creating a World Without Poverty: How Social Business Can Transform Our Lives: Social Business and the Future of Capitalism. Dhaka: PublicAffairs.
- Van de Ruit, C., May, J. & Roberts, B. 2001, *A Poverty Assessment of the Small Enterprise Foundation on Behalf of CGAP*, Consultative Group to Assist the Poor, USA.
- Simanowitz, A. & Walter, A. 2002, "Ensuring impact: Reaching the poorest while building financial self-sufficient institutions, and showing improvements in the lives of the poorest women and their families" in *Pathways out of poverty : innovations in microfinance for the poorest families*, ed. S. Daley-Harris, 1st edn, Kumarian Press, Bloomfield, Conn., pp. 1-74.
- Sender, J. 2003, "Rural poverty and gender: analytical frameworks and policy proposals" in *Rethinking development economics*, ed. H. Chang, Anthem Press, London, pp.407-423.
- Ranis, G., Stewart, F. & Samman, E. 2006, "Human Development: Beyond the HDI", *Poverty in Focus*, vol. December, pp. 12-14.
- Hulme, D. & Mosley, P. 1996, *Finance against poverty*, Routledge, London ; New York.
- Helms, B. 2006, Access for all: building inclusive financial systems, The World Bank, Washington DC, USA.
- Bebbington, A. 1999, "Capitals and Capabilities: A Framework for Analyzing Peasant Viability, Rural Livelihoods and Poverty", *World Development*, vol. 27, no. 12, pp. 2021-2044.

### **Articles/ Journals:**

- BRAC 2006. *BRAC Annual Report 2006*, BRAC, Bangladesh.
- Desk, R. N. 2010. *Hillary Clinton: Microcredit is a macro idea*. Retrieved February 26, 2010, from Radio Netherlands Worldwide: <http://www.rnw.nl/english/article/hillary-clinton-microcredit-a-macro-idea>.
- Hoque, S. 2004. *Micro-credit and the reduction of poverty in Bangladesh*. Journal of Contemporary Asia, 34(1), 21-32.
- Morduch, J. 1999. *The microfinance promise*. Journal of Economic Literature, 37(4), 15-69.
- Navajas, S., Schreiner, M., Meyer, R., Gonzalez-vega, C. & Rodriguez-meza, J. 2000. Microcredit and the Poorest of the Poor: Theory and Evidence from Bolivia. *World Development*, 28(2), 333-346.
- Rankin, 2002. Social Capital, Microfinance, and the Politics of Development. *Feminist Economics*, 8(1), 1-24.
- Asian Development Bank 2000, Finance for the poor: Microfinance Development Strategy, Asian Development Bank.

## Tarek

### Websites:

Ahmed, S. 2001. *Poverty and Microcredit : New Realities and Strategic Issues*. Retrieved March 01, 2010, from [www.pksf-bd.org](http://www.pksf-bd.org): [http://www.google.co.uk/url?sa=t&source=web&ct=res&cd=1&ved=0CBwQFjAA&url=http%3A%2F%2Fwww.pksf-bd.org%2FSeminar%2520Paper%2FMicrocredit%2520and%2520Poverty-New%2520Realities\\_final\\_md\\_pksf.doc&ei=WRcFTKDEKKCT4gaC4-3LDg&usg=AFQjCNE12pXta5iKoDklnUR\\_F7-vXTRdoQ](http://www.google.co.uk/url?sa=t&source=web&ct=res&cd=1&ved=0CBwQFjAA&url=http%3A%2F%2Fwww.pksf-bd.org%2FSeminar%2520Paper%2FMicrocredit%2520and%2520Poverty-New%2520Realities_final_md_pksf.doc&ei=WRcFTKDEKKCT4gaC4-3LDg&usg=AFQjCNE12pXta5iKoDklnUR_F7-vXTRdoQ).

ESBG, 2007. *Microcredit in Europe - Experiences of Savings Banks*. Retrieved March 01, 2010, from [www.wsbi.org](http://www.wsbi.org): [http://www.google.com/url?sa=t&source=web&ct=res&cd=1&ved=0CAkQFjAA&url=http%3A%2F%2Fwww.wsbi.org%2FuploadedFiles%2FPublications\\_and\\_Research\\_ESBG\\_only%2Fbrochure%2520screen%2520view.pdf&ei=-jeLS--QKY\\_20gS-3lnZCw&usg=AFQjCNHoyZsSpr1C\\_C0zf3os-x9Cjvvfng&sig2=YnyplhUTaBZ0-RljjXKW5w](http://www.google.com/url?sa=t&source=web&ct=res&cd=1&ved=0CAkQFjAA&url=http%3A%2F%2Fwww.wsbi.org%2FuploadedFiles%2FPublications_and_Research_ESBG_only%2Fbrochure%2520screen%2520view.pdf&ei=-jeLS--QKY_20gS-3lnZCw&usg=AFQjCNHoyZsSpr1C_C0zf3os-x9Cjvvfng&sig2=YnyplhUTaBZ0-RljjXKW5w).

Thornton, A. J. 2008. *WHO ARE THE POOREST OF THE POOR AND DOES MICROCREDIT HELP THEM?*. Retrieved May 06, 2010, from GPIA: [http://www.gpia.info/files/Thornton\\_Andrew\\_Thesis.pdf](http://www.gpia.info/files/Thornton_Andrew_Thesis.pdf).

Roth, J. 1997. *The Limits of Micro Credit as a Rural Development Intervention*. Retrieved May 06, 2010, from <http://gdrc.org/icm/jimmy-roth.pdf>.