

Center for Community Based Resource Management (CBRM)

Natural Resources Institute, University of Manitoba

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Case Study Name:	Microfinance Repayment Performance in Bangladesh How to Improve the Allocation of Loans by MFIs		
Authors:	Godquin, M.		
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Region:	Southeast Asia		
Country:	Bangladesh		
Ecosystem Type:	arid and/or semi-arid		
Social Characteristics:	remote community		
Scale of Study:	household, community		
Resource Type:	other (microcredit)		
Type of Initiative:	research-driven project		
Community Based Work:	other (microfinance), development planning		
Keywords:	microfinance, social ties, group homogeneity, nonfinancial services, Asia, Bangladesh		
Summary:	The aim of this article is to produce a comprehensive analysis of the performance of microfinance institutions (MFIs) in terms of repayment. We focus the analysis on the		

	<p>impact of group lending, nonfinancial services and dynamic incentives on repayment performance. We test for endogeneity of loan size and use instrumental variables to correct for it. In the second section of the paper, we use a comparative analysis of the determinants of the repayment performance and of loan size in order to make policy recommendations on the allocation of loans by MFIs.</p>
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