Center for Community-Based Resource Management (CBRM)

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Date: 03/02/2010	Entry 1082 Number:
Case Study Name:	Microfinancing in Bangladesh; Impact on households, consumption and welfare
Authors:	Mahjabeen, R.
Document Type:	paper in scientific journal
Year:	2008
Language:	English
Document Location:	Journal of Policy Modeling 30, 1083–1092
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Region:	South Asia
Country:	Bangladesh
Ecosystem Type:	floodplain and/or floodforest, mangrove, coastal marine
Social Characteristics:	remote community
Scale of Study:	household
Resource Type:	other (microfinance)
Type of Initiative:	research-driven project
Community- Based Work:	development planning, monitoring
Keywords:	Microfinance institutions; Commercial banks; Real-financial computable general equilibrium model; Bangladesh
Summary:	This paper examines the welfare and distributional implications of microfinance institutions (MFIs) in Bangladesh

in a general equilibrium framework. The major findings are that MFIs raise income and consumption levels of
households, reduce income inequality and enhance welfare. This implies that microfinance is an effective
development strategy and has important policy implications regarding poverty reduction, income distribution
and achievement of millennium development goals (MDGs).