Microfinance Services in Rural Areas - Farmers' Self-reliance
Branch of CFPA Microfinance in Shangyi County

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Feminization of Poverty
- Women are disproportionally affected by poverty
- Vulnerabilities
- Limited access to financial services
- Vulnerable to higher interest rates
- Limited to agriculture and small-scale industries
- Inadequate social and economic support
- Women are often left behind in terms of education and employment
- Limited access to health care
- Women are more likely to be victims of violence

Grameen Bank Microfinance Model
- Community Bank Transformation
  - Traditionally, lending groups, weekly meetings, rigid repayment schedules, and joint liability
  - 12-hour annual interest rate
  - Small social programs that the bank members must take up
- Grameen Bank's unique joint liability system to reduce risk and increase savings
- Globalization - Bangladesh as a case study
- Bangladesh's success story
- Bangladesh's success story promotes financial inclusion
- A strategy to poverty alleviation
- Good repayment system

Minimalist Microfinance
- BBP (Basic Banking Products) for low-income households
- Emphasis on self-help and financial sufficiency
- Introducing microfinance to the rural community
- Involving the poor in the development process

Questions for you to consider
- Grameen Bank Debate
  - Grameen Bank is accused of imposing unethical discipline on women. What do you think?
  - What do you think about the situation where the world only sees poor women as poor women? What about the rich?

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What is Microfinance?
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- It is the provision of financial services to the poor via credit banking
- Bottom Billion/Creative Capitalism
- Origin of Microfinanc
  - Grameen Bank Model - "We Live in a Sea of Money"
  - BRAC
  - Originally a Global South Model
- Two claims of microfinance
  - "democratization of capital"
  - Empowerment of poor women
- Distinction between global microfinance industry and microfinance plus
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Washington consensus on poverty

- Embodied by CGAP
  - Echoes World Bank Transformation under McNamara and Wolfensohn
  - Core belief: access to financial services empowers the poor by
    + reducing their vulnerability and
    + giving them choices
- Produces norms and standards for the industry of microfinance
- Control knowledge about microfinance
  - Key Principles of Microfinance
  - “Global 100”
Minimalist Microfinance

- Shift from emphasis on human development to financial sustainability
- Operational self sufficiency vs. Financial self-sufficiency
- Intermediary microfinance institutions
- Problem: Redlining and Portfolio at Risk Analysis

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