



GEST-Y-6003

Module “Financial inclusion”

Course: Financial inclusion

1st semester EMP 2019-20

Module manager: Prof. Anastasia COZARENCO

Planning

Date	Time	Lecturer	Place
13/11/2019	6 pm – 9 pm	Prof. S. Cornée	R42.4.110
14/11/2019	6 pm – 9 pm	Prof. S. Cornée	R42.4.110
10/12/2019	6 pm – 9 pm	Prof. A. Cozarenco	R42.4.110
11/12/2019	6 pm – 9 pm	Prof. A. Cozarenco	R42.4.110
12/12/2019	6 pm – 9 pm	Prof. A. Cozarenco	R42.4.110
13/12/2019	6 pm – 9 pm	Prof. A. Cozarenco	R42.4.110
17/12/2019	6 pm – 9 pm	Prof. W. Parienté	R.42.4.110
19/12/2019	6 pm – 9 pm	Prof. W. Parienté	R.42.4.110

Part 1: Prof. Anastasia COZARENCO

Objectives of the course

Familiarize students with microfinance in Europe through the lens of recent academic research, case studies and European policies

Topics covered and recommended readings

- 1) Why microfinance in developed countries?
- 2) Main features of microfinance in developed countries
- 3) Products & green microfinance
- 4) Regulation
- 5) Partnerships between MFIs and banks
- 6) Impact of microfinance in developed countries
- 7) Gender & discrimination
- 8) What are the lessons learnt and main challenges?

References:

- Armendáriz, B. (2009), “Microfinance for self-employment activities in the European urban areas: Contrasting Crédal in Belgium and Adie in France,” CEB Working Paper 09-041, Université Libre de Bruxelles.
- Bendig, M., M. Unterberg and B. Sarpong (2014), “Overview of the microcredit sector in Europe 2012-2013,” European Microfinance Network.
- Botti, F., D.L. Dagradi and L.M. Torre (2016), Microfinance in Europe: A survey of EMN-MFC Members Report 2014-2015.
- Bourlès, R. and A. Cozarenco (2017), “Entrepreneurial motivation and business performance: Evidence from a French microfinance institution,” *Small Business Economics*. Doi: 10.1007/s11187-017-9961-8.
- Brana, S. (2013), “Microcredit: An answer to the gender problem in funding?” *Small Business Economics* 40(1): 87-100.
- Corbucci, V. (2016), “Personal loans: the forgotten half of microcredit?” European Microfinance Network.
- Corsi, M., F. Botti, T. Rondinella and G. Zacchia (2006), “Women and microfinance in Mediterranean countries,” *Development* 49(2): 67-74.
- Cozarenco, A. (2015), “Microfinance institutions and banks in Europe: The story to date,” CEB Working Paper 15-027, Université Libre de Bruxelles.
- Cozarenco, A. and A. Szafarz (2018a), “Gender biases in bank lending: Lessons from microcredit in France,” *Journal of Business Ethics* 147(3): 631-650.
- Cozarenco, A. and A. Szafarz (2018b), “Detecting double discrimination in the credit market,” Mimeo.
- Cozarenco, A. and A. Szafarz (2018c), “The regulation of pro-social lending: Are loan ceilings effective?” Mimeo.
- Crépon, B., E. Duflo, E. Huillery, W. Parienté and J. Seban (2014), « Les effets du dispositif d’accompagnement à la création d’entreprise Créa-Jeunes: Résultats d’une expérience contrôlée », Rapport J-PAL.

- dalla Pellegrina, L. and A. Scollo (2016), “The role of borrower-cosigner kinship relations on loan default,” *Italian Economic Journal* 2(3): 421-444.
- Forcella, D. and M. Hudon (2016), “Green microfinance in Europe,” *Journal of Business Ethics* 135(3): 445-459.
- European Commission (2013), European Code of Good Conduct for Microcredit Provision. Doi:10.2776/37362.
- Paris Europlace (2019), Livre Blanc Microcredit «Libérer le potentiel du microcrédit, pour une Europe plus inclusive et plus dynamique »
- Morduch, J. and R. Schneider (2017), *The Financial Diaries: How American Families Cope in a World of Uncertainty*, Princeton University Press.
- Pedrini, M., V., Bramanti, M. Minciullo and L.M. Ferri (2016), “Rethinking microfinance for developed countries,” *Journal of International Development* 28(2): 281-302.
- Yunus, M. (1999), *Banker to the Poor: Micro-lending and the Battle against World Poverty*, New York: Public Affairs.

Part 2: Prof. Simon CORNÉE

Objectives of the course

- Present social banks and cooperative banks
- Figure out the implications for microfinance

Topics covered and recommended readings

1) Social banks:

Based on a simple case study, the objective is to discover the foundational principles and functioning rules of social banking. The following topics will be covered:

- Governance
- Intermediation of values
- Selectivity and transparency
- Interest rate setting and reciprocity
- Relational approach of financing

References:

- Allet, M. and M. Hudon (2013), “Green Microfinance: Characteristics of Microfinance Institutions Involved in Environmental Management,” *Journal of Business Ethics* 126(3): 395-414.
- Cornée, S. (2015), “The Relevance of Soft Information for Predicting Small Business Credit Default: Evidence from a Social Bank,” Forthcoming in *Journal of Small Business Management*.

- Cornée, S., P. Kalmi and A. Szafarz (2016), “Selectivity and Transparency in Social Banking: Evidence from Europe,” *Journal of Economic Issues* 50 (2): 494-502.
- Cornée, S., D. Masclet and G. Thenet (2012), “Credit Relationships: Evidence from Experiments with Real Bankers,” *Journal of Money, Credit and Banking* 44(5): 957-980.
- Cornée, S. and A. Szafarz (2014), “Vive la Différence: Social Banks and Reciprocity in the Credit Market,” *Journal of Business Ethics* 125(3): 361-380.
- Hudon, M. and J. Sandberg (2013), “The Ethical Crisis in Microfinance: Issues, Findings, and Implications,” *Business Ethics Quarterly* 23(04): 561-589.
- La Nef (2010), Annual Report in Brief.
- San-Jose, L., J.L. Retolaza and J. Gutierrez (2011), “Are Ethical Banks Different? A Comparative Analysis Using the Radical Affinity Index,” *Journal of Business Ethics* 100(1): 151-173.
- Weber, O. and S. Remer (eds.) (2011), *Social Banks and the Future of Sustainable Finance*, New York: Routledge.

2) Cooperative banks:

The objective is to provide an overview of the following themes:

- Historical background
- Growth and governance issues in Western Countries
- Some implications in Southern countries

References:

- Angelini, P., R. Di Salvo and G. Ferri (1998), “Availability and Cost of Credit for Small Businesses: Customer Relationships and Credit Cooperatives,” *Journal of Banking & Finance* 22(6): 925-954.
- Coco, G. and G. Ferri (2010), “From Shareholders to Stakeholders Finance: A More Sustainable Lending Model,” *International Journal of Sustainable Economy* 2(3): 352-364.
- Guinnane, T.W. (1997), “Regional Organizations in the German Cooperative Banking System in the Late 19th Century,” *Research in Economics* 51(3): 251-274.
- Hesse, H. and M. Čihák (2007), “Cooperative Banks and Financial Stability,” IMF Working Paper No. 07/02.
- Kalmi, P. (2012), “Cooperative Banking,” in Toporowski, J. and J. Michell (eds.) *Handbook of Critical Issues in Finance*, Edward Elgar Publishing, 56-65.
- Ory, J. N., E. Gurtner, and M. Jaeger (2006), “The Challenges of Recent Changes in French Cooperative Banking Groups,” *Revue Internationale de l’Economie Sociale, RECSA* 301: 43-59.
- Perilleux, A. (2013), “Strategic Governance Lessons from History for West African Microfinance Cooperatives,” *Strategic Change* 22(1/2): 95-106.

Part 3: Prof. William PARIENTÉ

Objectives of the course

- This course will introduce the impact evaluation problem and describe the methods that are used to evaluate the impact of microfinance programs. It will present designs and discuss the strengths and limitations of several types of evaluation – monitoring tools, practitioner approaches, quasi-experimental evaluations and randomized evaluation – in several contexts.
- The course will also present the findings from a selection of rigorous evaluations.
- Finally, the course will discuss the effect of microfinance products design on demand from clients and potential clients and on MFIs' efficiency.

Topics covered and recommended readings

References:

- Gertler, P., S. Martinez, P. Premand, L. Rawlings and C. Vermeersch (2016), “Causal Inference and Counterfactuals” in *Impact Evaluation in Practice*, Washington: IDB/The World Bank, 47-62.
<https://openknowledge.worldbank.org/handle/10986/25030>
- “Where Credit is Due”, JPAL/IPA Policy Bulletin, February 2015.
<https://www.povertyactionlab.org/sites/default/files/publications/where-credit-is-due.pdf>
- Banerjee A. et al. (2015), “Development economics. A multifaceted program causes lasting progress for the very poor: evidence from six countries,” *Science* 348(6236): 1260799.

All parts

Evaluation

Written exam