



College of Agricultural Banking & Centre for Micro Finance present
Microfinance: Translating Research into Practice
January 12th and 13th 2011 – Pune

The rapid expansion in Indian microfinance and several recent crises in the sector have led to a lively debate between government policymakers, for-profit microfinance advocates and critics, self-help group advocates and media outlets regarding the value and impact of microfinance. This year's crisis in Andhra Pradesh in particular has prompted a rethink of the joint liability group and self-help group models which have dominated microfinance practice in India. The crisis also raised questions about the advantages and disadvantages of for-profit microfinance. While advocates see the for-profit approach as a commercially viable way of reaching India's millions of unbanked citizens, critics claim that microfinance institutions have abandoned social impact objectives for greater profits. Some practitioners see the self-help group model as the ideal way of extending financial services to the poor. The microfinance community finds itself divided on other issues as well: lending methodology, optimal investment models, regulation, and interest rates.

At a time of immense turmoil in the sector, people have begun questioning the approaches of the dominant actors, with different industry players claiming that their particular model of microfinance works the best. These contending claims force us to ask the question: How much do we actually know about the effectiveness of various microfinance models or about the financial behavior of the poor?

Academics and practitioners have conducted field-based studies that can help decision-makers answer questions about general access to finance, the dynamics underlying the financial behavior of the poor, and the impact of specially structured programs on low-income groups. They have embarked upon their work with the belief that rigorous research on the efficacy of different microfinance programs can inform policy and orient practice to better serve the needs of the poor.

In order to bridge the potential knowledge gap between academic researchers and decision-makers, it is essential to bring academics, microfinance practitioners, bankers and policy-makers together in a common forum. To this end, the College of Agricultural Banking, together with the Centre for Micro Finance at the Institute for Financial Management and Research will host their fourth annual conference, "**Microfinance: Translating Research into Practice**" on **January 12th and 13th 2011** at the College of Agricultural Banking campus on University Road in Pune. The objective of the conference is to actively engage practitioners and researchers in discussion relevant to current and future microfinance practice. This year renowned development experts will be present to discuss results from a number of recent studies conducted in the area of financial services for the poor. High-level practitioners, bankers and government policy makers (see list of this year's confirmed speakers on the next page) will also be present to discuss the potential challenges facing institutions that provide financial services to the poor.

To register for the conference, please contact: Amulya Champatiray at amulya.champatiray@ifmr.ac.in, Deepti KC at deepti.kc@ifmr.ac.in, or Shardul Oza at shardul.oza@ifmr.ac.in



This year's speakers include:

Kamal Rajan - Principal, College of Agricultural Banking

Justin Oliver - Executive Director, Centre for Micro Finance

Doug Johnson - World Bank and Centre for Micro Finance

Vipin Sharma- CEO, Access Development Services

N. Srinivasan - Independent Consultant and Author, State of the Sector Report 2010

Deepali Pant Joshi - Chief General Manager, Reserve Bank of India

Ajay Tannirkulam - Programme Head, Centre for Micro Finance

Abhishek Sinha - CEO EKO-India

Rajiv Khandelwal - Founder and Director, Aajeevika Bureau

Chandra Shekhar Ghosh - Founder and CEO, Bandhan

Shamika Ravi - Professor Indian School of Business

Neelima Khetan - Chief Executive, SEVA-Mandir

Shawn Cole - Professor, Harvard Business School

Karna Basu - Professor, City University of New York

Graham Wright - Programme Director, MicroSave

Sanjay Sinha- Managing Director, M-CRIL

Bindu Ananth -President, IFMR Trust

Vishal Mehta- Founder and Managing Director, Lok Capital

P.N. Vasudevan - Founder and Managing Director, Equitas

Brij Mohan - Chairman Access Development Services

Y.C. Nanda - Chairman, Agricultural Finance Corporation

Jeremy Shapiro - Postdoctoral Fellow, Yale University



Conference Program

Wednesday, January 12th

Time	Session
9.00 –9.30 hrs	Registration & Tea/ Coffee
9.30- 10.15 hrs	Inaugural Session
10.15 – 10.30 hrs.	Tea Break
10.30 – 11.15 hrs.	<p>Andhra Pradesh and the Identity Crisis in Indian Microfinance</p> <p>The recent crisis in Andhra Pradesh has had a tremendous impact on the Indian microfinance sector. Citing high profits and instances of overlending, some argue that microfinance institutions have drifted from their original mission of helping the poor. Others claim that the commercialization of the industry is necessary for institutions to achieve scale and increase outreach. After recent events, many in the industry find themselves advocating regulatory reforms and a change in basic lending methodology. This panel will focus on identifying the strengths and drawbacks of contemporary microfinance practice through a discussion of the crisis in Andhra Pradesh. Doug Johnson will present findings from the Centre for Micro Finance’s newly-released report “Access to Finance in Andhra Pradesh,” a household survey which gauges the access of rural households to various financial services.</p>
12.00-13.30 hrs.	<p>Sending Money Home: Making Finance Work for Mobile Populations</p> <p>Though access to formal banking has increased significantly in the last few decades, many in India still remain without access to safe and inexpensive ways to send money home. Accessing formal finance is especially important for India’s 100 million migrant workers, many of whom regularly send money to their family and friends. Those who do not have access to the formal banking sector are forced to send money through expensive or relatively risky methods. In this session, panelists will discuss how policy-makers and practitioners can enhance the ability of mobile populations to access financial institutions, transfer money across distances, and harness new technologies to ensure the safe and secure delivery of their hard-earned income. Ajay Tannirkulam will present the Centre for Micro Finance’s new working paper “Putting Money in Motion: How much do Migrants Pay for Domestic Transfers,” a study of four migrant corridors in India.</p>
13.30-14.30 hrs.	Lunch Break



14.30 – 16.00 hrs	<p>Targeting the Ultra Poor</p> <p>The ultra-poor are often excluded from traditional microfinance programs. Several years ago, the Bangladeshi development organization BRAC designed a specialized program to graduate ultra-poor beneficiaries into standard microfinance programs. Recognizing the potential of the program to improve the livelihoods of those at the bottom end of the income spectrum, several microfinance institutions have adopted similar initiatives. This session will feature a broad discussion of how institutions can better target this important but neglected demographic. To begin the session, Jeremy Shapiro, postdoctoral fellow at Yale University will present the findings from the Centre’s evaluation of Bandhan’s Targeting the Hard-Core Program in West Bengal.</p>
16.15-17.45	<p>Safety Nets for the Poor: Microinsurance and Pensions</p> <p>Experts and practitioners interested in improving the well-being of the poor have shifted from an exclusive focus on microcredit to a broader consideration of the risks that poor people face. The low penetration of microinsurance in developing world suggests that an opportunity exists to introduce products that will help protect the poor against catastrophic shocks and potentially increase investment in agriculture. Similarly, well-designed pension products help the poor save and provide them with income at a crucial time in their lives. This session will focus on new research being conducted in the areas of microinsurance and pensions and the potential role these products can play in improving the lives of the poor. Professors Shawn Cole and Karna Basu will be presenting their research on microinsurance and pensions respectively.</p>



Thursday, January 13th

Time	Session
9.30 – 11.00 hrs.	Session on Regulation
11.00 – 11.15 hrs.	Tea/Coffee
11.15 – 13.00 hrs.	<p>The Future of Financial Services for the Poor</p> <p>The Andhra Pradesh crisis and subsequent events have led to a spirited debate about the future of financial services for the poor in India. In addition to discussing the policy and regulatory challenges facing the microfinance movement, panelists will suggest ways that organizations can adapt to better serve the needs of beneficiaries. For example, some experts note that microfinance products today are relatively standard and rigid; they could be customized to fit the needs of individual customers. Improving financial services for the poor will be difficult unless researchers, policy-makers and practitioners collaborate on a host of issues ranging from regulation to product innovation. Panelists will help identify salient issues facing financial services providers as well as potential opportunities for cooperation between key actors.</p>
13.00-13.45	Valedictory Session
	<p>Concluding Remarks</p> <p>Ms. Kamala Rajan, Principal, College of Agricultural Banking</p>