

The controversies on the impact of microfinance and the ways to assess it: putting the newest findings into perspective

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Abstract for the 2011 meeting of NONIE (Network of Networks Impact Evaluation Initiative): <http://nonie2011.org/?q=content/micro-finance>

Article published in French as: Florent Bédécarrats, « L'impact de la microfinance : un enjeu politique au prisme de ses controverses scientifiques », *Mondes en développement*, 2012, en attente de publication.

The debate on impact of microfinance is flourishing recently (conferences, newspapers, journals, blogs, etc.), based on new approaches widely credited in the media. However, this issue in itself is far from being new, considering the 154 impact studies conducted worldwide on microfinance since 1980. Contradicting the widespread assumption that this question was until recently consensual, such literature shows that it has long been controversial in the scholar and practitioner fora. Beyond their weaker quantitative empirical evidences due to control group selection, these studies provided a wealth of relevant findings and highlighted the crucial necessity to combine quantitative and qualitative approaches.

We first present the results of a quantitative analysis of this corpus, taking into account bibliometric visibility and chronology of publications. It reveals that the impact of microfinance has never been a consensual question, as studies showing positive results, but also neutral or negative ones, have been published and widely disseminated since the early years covered in our review (figure 1). This difference of findings doesn't come from the methodological orientation of the research, as we count a substantial minority of neutral or negative result either in experimental, quasi-experimental, qualitative or hybrid impact studies. However, purely quantitative methods have clearly strengthened their dominance on the field of impact research in recent years (figure 2). We must also distinguish approaches that intend to prove the impact and then others that give priority to improving it. We'll show that the former were dominant until the late 1990s, when more practitioner-oriented approaches seemed to supplant them. Nevertheless, the academic proof-oriented standards have taken over since the mid 2000, leaving little room for alternative perspectives (figure 3).

Afterwards, a closer look at 7 studies from distinct methodological streams carried out in 4 different countries allows us to go into more depth. It first shows the changing nature of proofs mobilized, as well as the distinct ways of dealing with them to grasp the causality between the microfinance intervention and the change into client's life. Second, the reviews that ensure posterity to these studies appear to only consider their quantitative conclusions as evidence, even when they are in fact a secondary element of the original studies. Third, we observe that "quantitative only" approaches, as well as "qualitative only" approaches, inevitably fail to embrace the range of issues raised by the impact of microfinance. In particular, they don't encompass the role of contextual demand specificities nor the importance of service offer adaptation, making dubious the generalization or comparison of the results.

As a conclusion, the need for interdisciplinary research on impact, with both operational and of scientific validity, seems obvious to almost everyone. Nevertheless, microfinance

experienced at least half a dozen of major attempts with this objective since the 1970s. But they always ended up sinking into oblivion, and the same issue later re-discovered for a new try. The reason why we face such recurrent failures is less methodological than institutional, as heterodox approaches are hardly given a proper status in research evaluation, financing and dissemination.

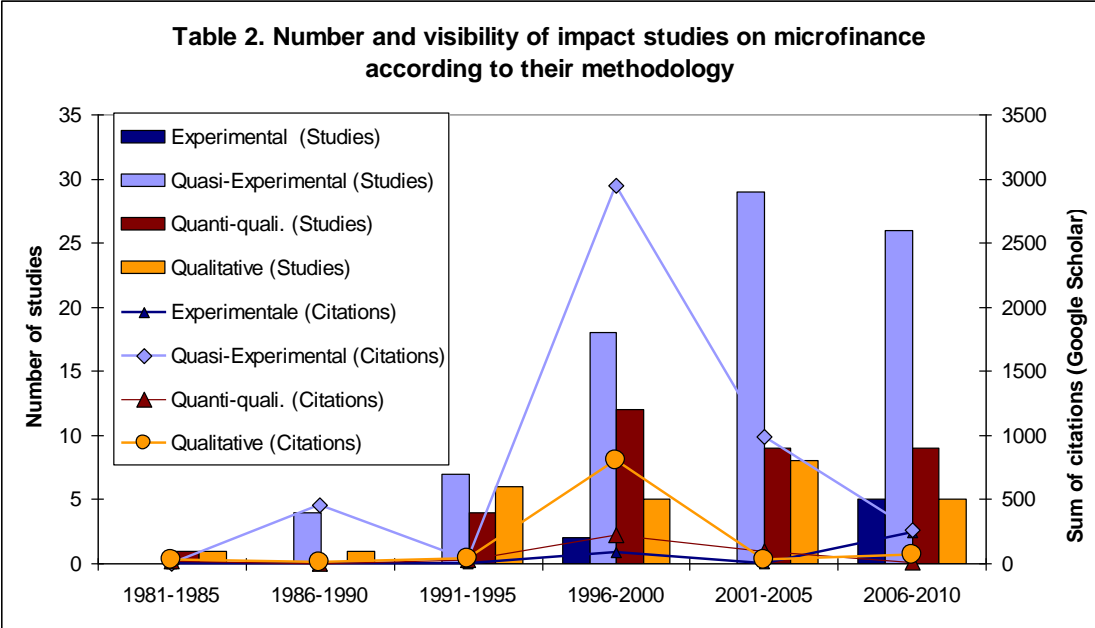
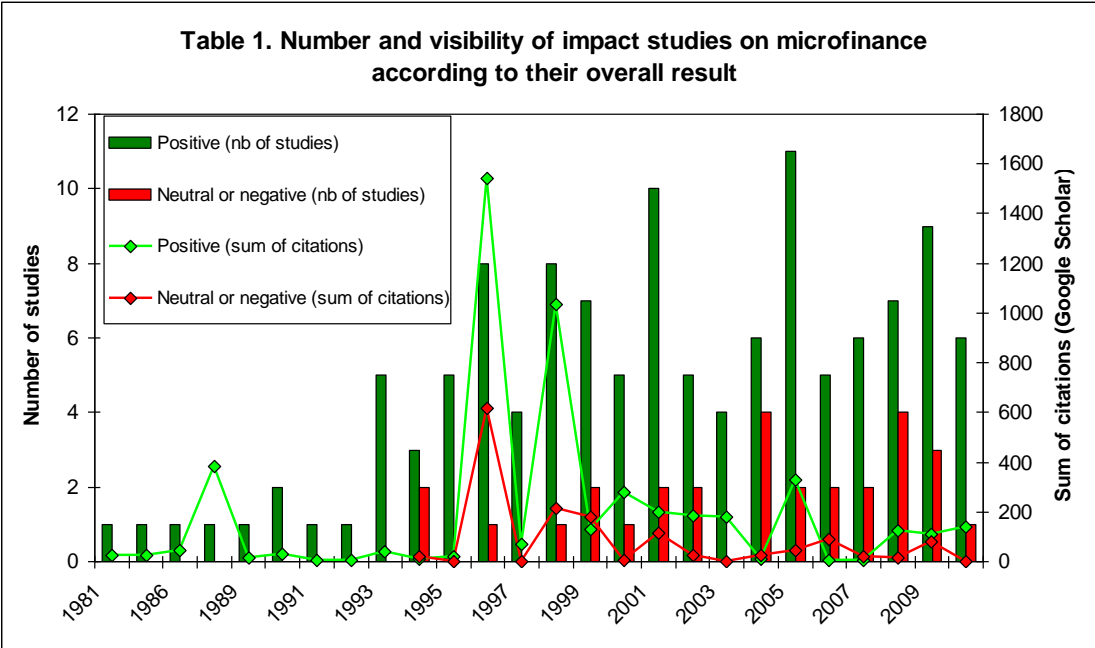


Table 3. Number and visibility of impact studies on microfinane according to their approach

