

Regional Training Course on Applied Econometric Analysis
WIUT, Tashkent, Uzbekistan

The Importance Of Geographical Access For The Impact Of Microfinance

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Outline:

- I. Motivation**
- II. Related studies and Research Gap**
- III. Retrospective Methodology**
- IV. Data collection**
- V. Results and Discussion**
- IV. Publication Process**

I. Motivation: How this paper was originated ?

- 1. Microfinance – hot topic in development economics and entrepreneurship**
- 2. Great debate in Microfinance literature: 50 years of practice worldwide – still mixed evidence on its contribution for business and household development indicators → need more country evidence !**
- 3. Important part of PhD Dissertation in CERGE-EI**

Joint work with two Supervisors:



Prof. Randall K. Filer
Prof. in Economics
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CERGE-EI President



Prof. Jan Hanousek
Top CEE region Professor in
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CERGE-EI

Microfinance & Small Entrepreneurship



I. What is Microfinance and MFIs ?

[1] Microfinance:

Is a provision of a non-standard banking services (microcredit, loans, micro savings and others) to low income households that standards banks do not serve.

Microfinance was originated by Bangladesh Economist Dr. Muhammad Yunus, 1970.



[2] Microfinance Institutions [MFIs]

Are special financial institutions that provide microfinance services. They are conceptually different from “traditional banks” as they work on collateral free lending, have different funding scheme, paper work etc.

I. What is Impact of microcredit ?

- ▶ Almost 50 years of microfinance worldwide, there is still lack of reliable evidence on positive impact
- ▶ Conclusions from recent RCTs evaluating the impact of access to microcredits:

[Banerjee et al. 2010, India], [Karlan and Zinman, 2011, Phillipines] [Crépon et al. 2011, Morocco] [Karlan and Zinman, 2010, South Africa]

- 1) Canonical microcredit model works but through different channels → **it starts with household rather than business**
- 2) Positive effect on existing businesses, however not every borrower is entrepreneur → **household consumption**
- 3) **Need more evidence on channels of the impact: whom? why? how?**

I. Half of the world still unbanked !

- ▶ 2.5 billion, almost $\frac{1}{2}$ of world, is unbanked [Global Findex 2012]
- ▶ Various obstacles: transaction, cost, legal, *geographical barriers !*
- ▶ Microfinance is considered as an important tool for improving access to finance and addressing the barriers → *therefore in this paper we aim to measure a causal effect and importance of geographic access of microfinance*

I. What are main reasons ?

- 1) While conventional **financial institutions** may not require physical visit to their branch all the time, most of the **MFIs** do require to visit to ensure repayment, collection of hard and soft information [WB, 2008; Presbitero & Ravelloti, 2012]
- 2) Role of the distance was studied in **Banks** as a proxy for transportation costs and informational asymmetries between borrowers and lending [Allesandrini, Fratianni & Zazzaro, 2009; Allesandrini, Fratianni & Zazzaro, 2010]
- 3) In **Microfinance context**, role of distance is less studied assuming that MFIs are well embedded in communities they operate in [Bateman & Chang, 2009]

I. Better geographical distance to MFI:

Why important to study ?

(a) Borrower side: transportation cost, time, road connections

(b) MFI side: required to visit branch, cost of monitoring borrowers

I. Studies on Distance in Microfinance:

- 1) Distance to MFI is negatively correlated with loan repayments in Nigeria [Oke, Adeyemo & Agbonlahor, 2007]
- 2) No effect of distance in case of Malaysia [Roslan & Karim, 2009]
- 3) In response to lower quality information about more distant loan applicants, MFIs adopt more restrictive loan conditions, higher interest rates and more intensive screening in Niger [Pedrosa & Do, 2011]
- 4) Moral hazard increases with the distance from MFI [Presbitero & Rabellotti, 2012]
- 5) Local presence of Equity Bank in Kenia is found to have a positive and significant impact on households' use of bank accounts and bank credit [Allen et al. 2013]
- 6) Geographic proximity to ProCredit microfinance bank in SEE positively affects the use of bank accounts by low-income households [Brown, Guin & Kirshenmann, 2013]

II. Studies on Distance in Microfinance:

No studies in microfinance so far analyzed causal impact of geographical proximity to MFI and on business and consumption activities → primary objective of microfinance institutions

Research Gap & Contribution

II. Two main contributions of the study:

№1 COUNTRY CONTEXT

First evidence on non-bank commercial SME lending model based on specific evolution of microfinance model in Uzbekistan

“Better access to microcredits: does geographical proximity matter?” →

Measuring impact of microfinance on business and household consumption behaviour

№2 METHODOLOGY

New approach for impact assessment:

Propensity Score Matching (PSM) + Retrospective design for impact evaluation

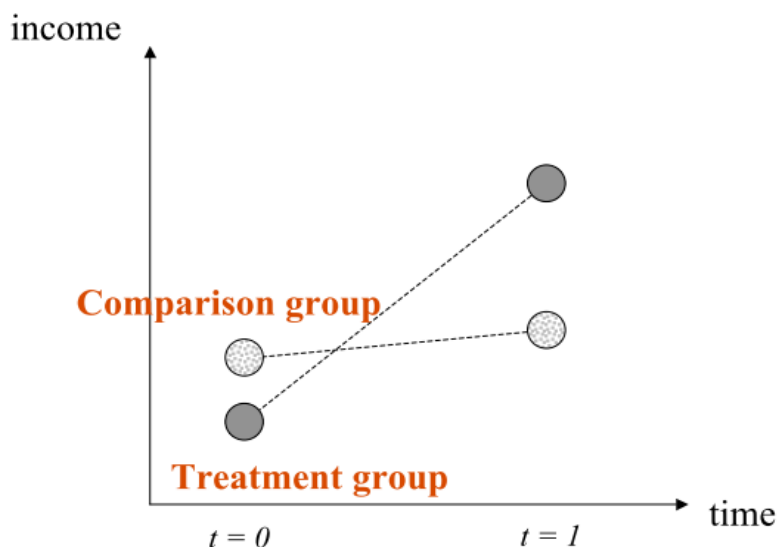
Impact Evaluations:

Two main problems for unbiased assessment of impact:

[1] Self-selection of borrowers [demand-side selection bias]

Borrowers are in general more motivated, have more information, better entrepreneurs → unobserved characteristics

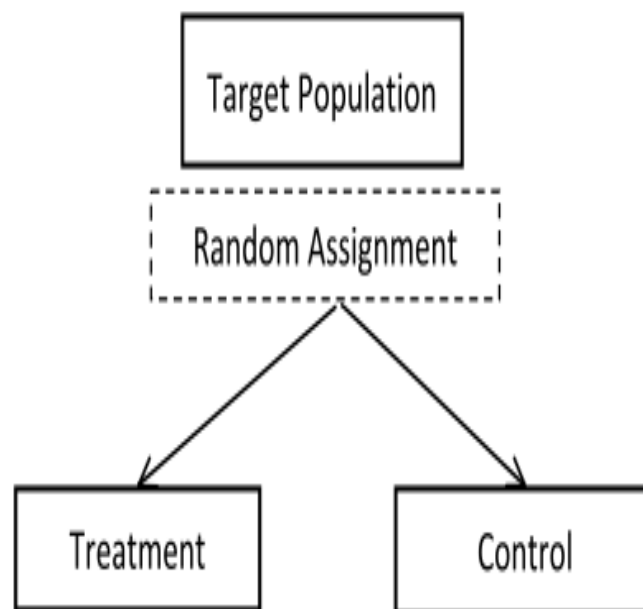
[2] Non-random placement of MFIs [supply-side selection bias]



Impact Evaluations: Solutions

[1] Experimental solution: Randomized Control Trial

“gold standard” because obtain “what if” counterfactual **X**
if sample is large enough, two groups will be identical on observables AND non-observables



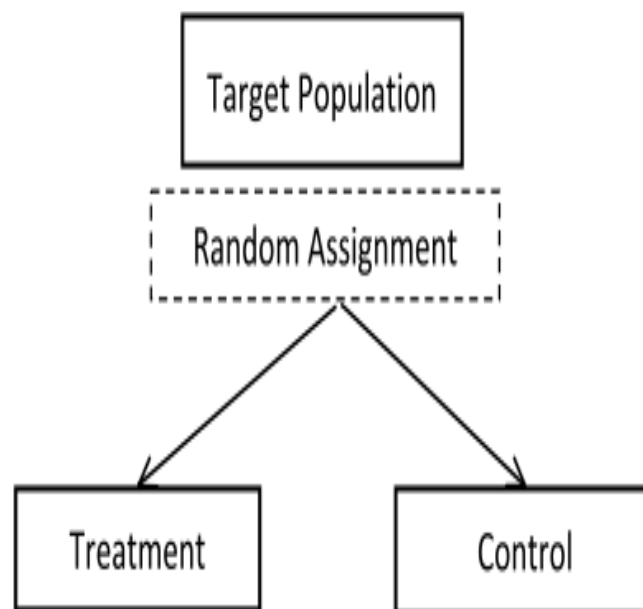
Impact Evaluations: Solutions

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Limitations:

- ▶ very specific and isolated intervention
- ▶ non-compliers, “synthetic” structure in the field
- ▶ can’t capture important dynamics of the treatment impact
- ▶ very high cost, time, field works → not many organizations can afford



Impact Evaluations: Solutions

[2] Non-Experimental Solutions:

Propensity Score Matching (p-score): second best solution in the absence of experimental solution; selection on pre-treatment observables gives as good as random assignment to treatment

Lalonde (1986), Rosenbaum & Rubin (1983), Dehejia & Wahba (2002)

Impact Evaluations: Solutions

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NOVEL APPROACH:

Matching + Retrospective Survey Design:

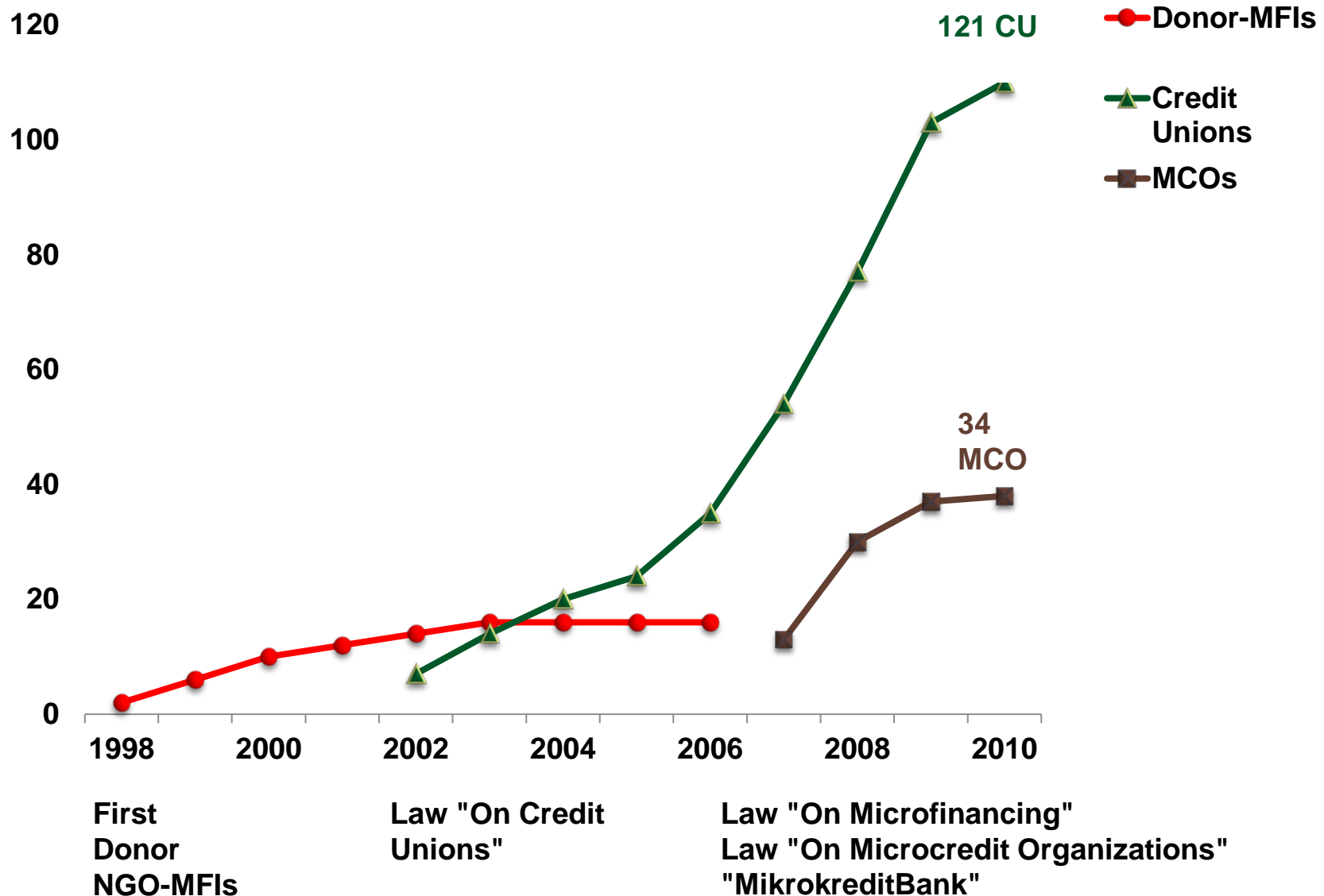
- a) augment single cross-sectional wave of specific MF borrower and non-borrower groups with set of retrospective questions on “fundamental events” to create a dynamic panel
- b) re-create initial conditions for matching → demand side selection
- c) study dynamics of the impact based on the panel
- d) efficiency on logistics, time and resources

Microfinance in Uzbekistan



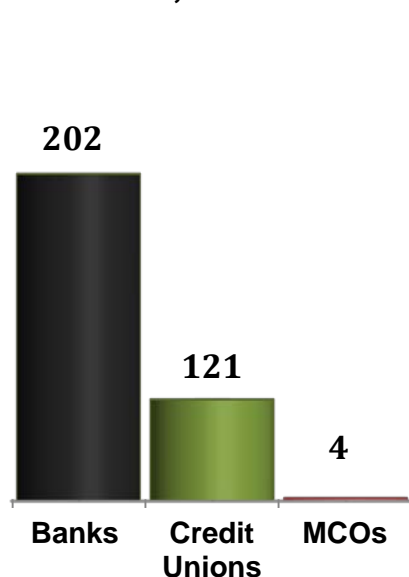
Unique Evolution of Microfinance Sector:

Cumulative growth of number of MFIs, 1998-2011

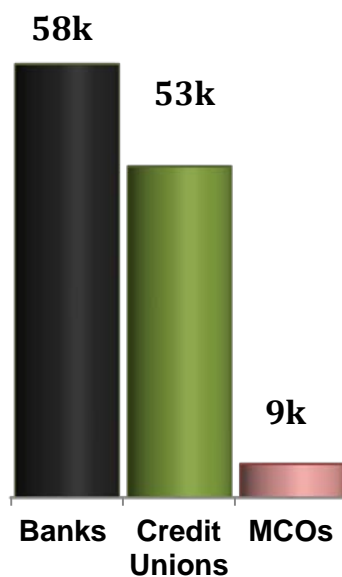


Non-bank MFI niche:

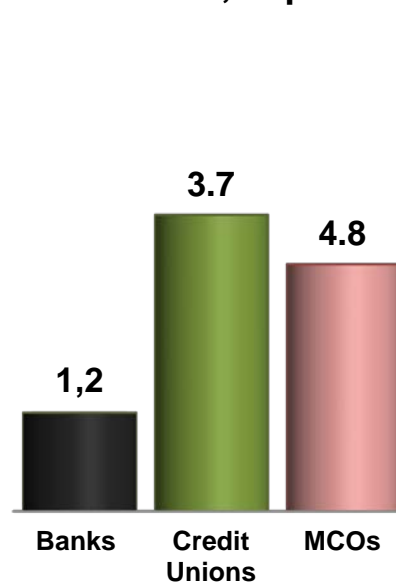
Portfolio, mln USD



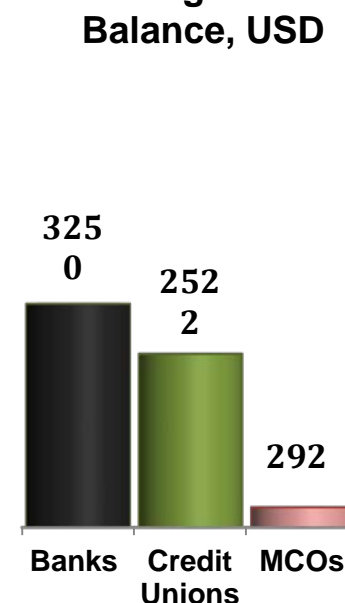
Borrowers



Interest, % p.m.



Average Loan Balance, USD



| | Banks: | Credit Unions: | MCOs: |
|---------------------|------------------------------------|------------------------------|------------------------------|
| Lending | Individual | Individual | Group |
| Collateral | yes | yes | partial |
| Deposit | yes | yes | no |
| Microcredit | business | consumer, business | Business |
| Credit Applications | lot of docs, bureaucracy, non-cash | less docs, flexible; in cash | less docs, flexible; in cash |

Non-bank MFI niche:

- 1. Private, commercial nature**
- 2. Uniform license from Central Bank**
- 3. Competitive market forces**
- 4. SME finance model different from canonical
group lending**

Supply-side selection

| | Variables: | MCO and CU # | MCO # | CU # |
|----------------------------|---------------------------------|--------------|----------|------------|
| [i] Socio-Demographic | Econ. active population, '000 | 0.008*** | 0.006 | 0.007** |
| | Population Density | 0.000* | 0.000* | 0.000 |
| | Urban population | 0.004** | 0.008* | 0.004** |
| [ii] Infrastructure | Housing stock, sq. meters p.c. | 0.069** | 0.088* | 0.069* |
| | Hospitals, no. per 10'000 ppl | -0.001 | -0.006 | -0.000 |
| | Water pipes, % provision | 0.025** | 0.002 | 0.032** |
| | Gas, % provision | 0.019** | 0.024 | 0.019* |
| | Road densities | -0.206 | -0.608 | -0.148 |
| [iii] Economy Structure | SME share in GRP | 0.105 | 0.386 | 0.174 |
| | Industrial production, % of GRP | 0.990* | 0.353 | 1.089** |
| | Retail sales, '000 UZS p. c. | 1.01e-08** | 7.42e-09 | 1.11e-08** |
| | <i>Pseudo R2</i> | 0.49 | 0.61 | 0.47 |

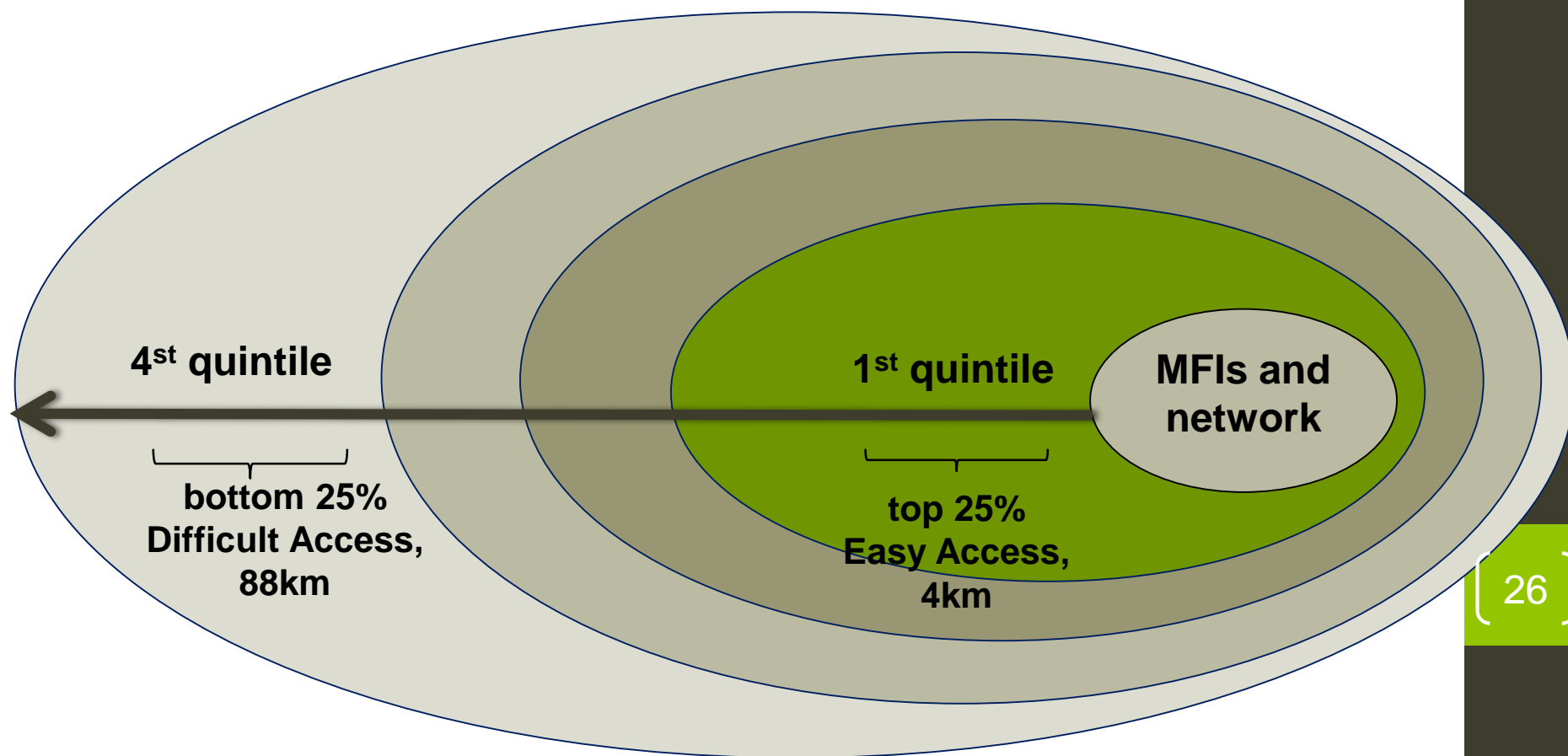
- ▶ **Evidence of upward selection**
- ▶ **MCO determinants:** household, family business characteristics
- ▶ **CU determinants:** structure of economy matters, infrastructure for larger enterprises

Measures of Geographic Distance to MFIs:

- ▶ **Measures:** average distance from household to branch [or ATM], density of branches per square km or per capita, and average time necessary for a borrower to reach an MFI branch [World Bank, 2008]
- ▶ **What we use:** distance in kilometers to the nearest non-bank MFI
- ▶ **Why?**
 - ▶ [1] country's financial infrastructure are unevenly distributed and concentrated in regional and district centers
 - ▶ [2] geographical barriers constitute significant obstacles not only to accessing MFIs, but also related infrastructure, which in turn determine the price of and demand for microcredits

III. Research Question:

- Better Access to Microcredits: Does Geographical Proximity Matter?
- Use distance to nearest MFI to measure **causal impact of geographical barrier for microcredits** on **Business and Household Consumption**



III. Methodology:

- ▶ **Issues:** Demand-side selection [households decision]
supply-side selection [non-random placement of MFIs]
- ▶ **Parameters:** Modified Intention-to-Treat [ITT] estimate where intensity is measured as strong or weak [according to distance] rather than present or absent
- ▶ **Estimation strategy:** P-score matching [Rosenbaum & Rubin, 1983] kernel matching

$$ATT = \frac{1}{N^T} \sum_{i \in T} \left\{ Y_i^T - \frac{\sum_{j \in C} Y_j^C G\left(\frac{P_j - P_i}{h_n}\right)}{\sum_{k \in C} G\left(\frac{P_k - P_i}{h_n}\right)} \right\}$$

Match top 25% living closest [D1] with 25% living farthest [D4]

Demand-side Selection Initial conditions [wealth, construction expenditures, family size] re-created using retro questions

Supply-side Selection Supply-side determinants of MFI placement

III. Retrospective Studies:

Related Literature: we ask about “Fundamental Events” that are discrete, psychologically important and easily memorable in the lives of respondents

[1] McKinlay, 1997, *JoEL*

Event study; use of discrete “fundamental events” to measure the effect of M&A on stock price

[2] Peters, 1988, *JoHuman Resources*

Divorces and re-marriages

Microfinance Context:

[1] Becchetti & Castriota, 2011, *WD*

Impact of microcredit in as post tsunami recover tool in Sri Lanka

Retro questions: percent changes in income and hours worked

[2] McIntosh, Villaran & Wydick, 2010, *WD*

Impact of microcredit on housing renovation in Guatemala

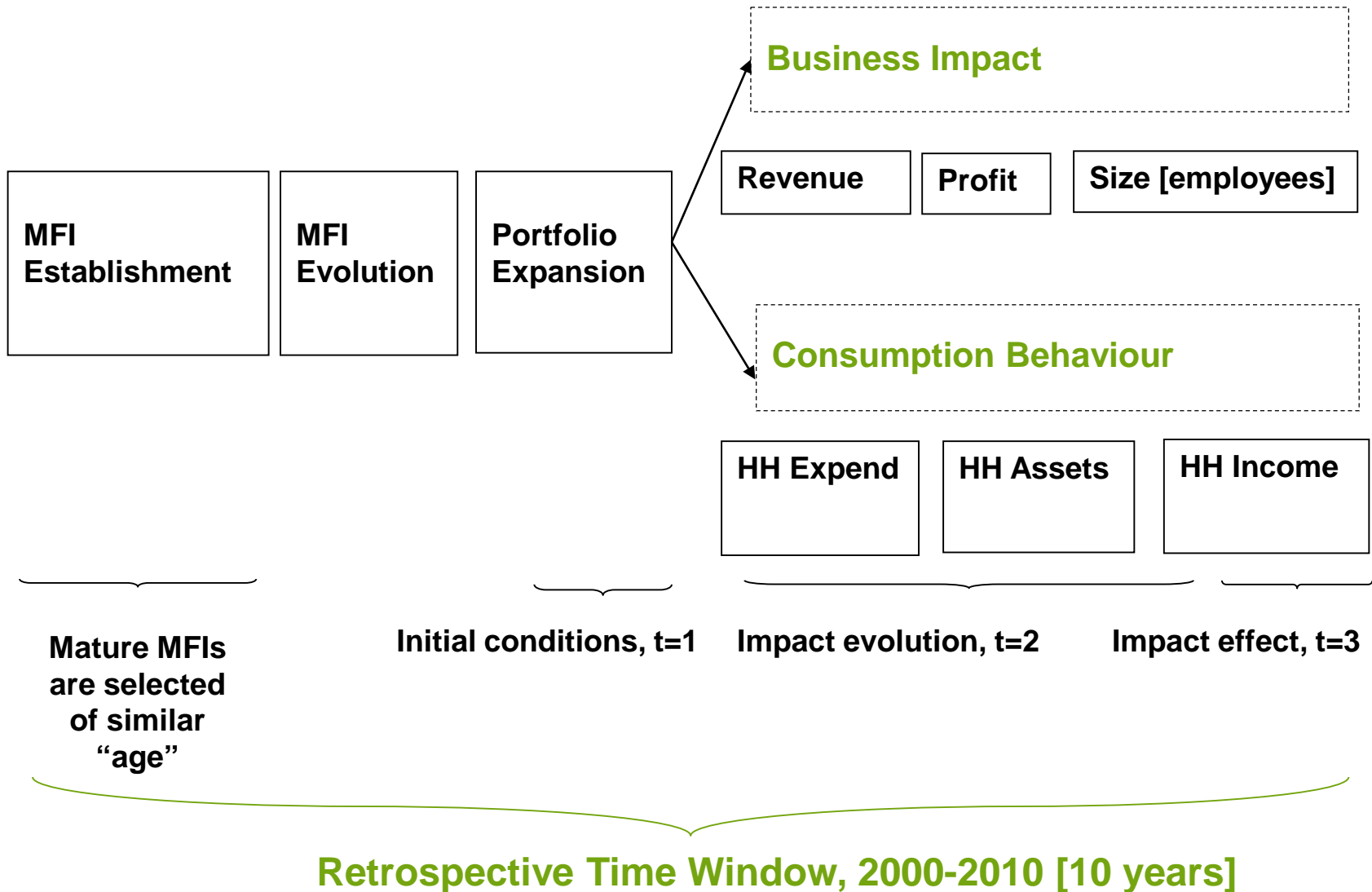
Retro questions: major diseases, deaths, major asset purchases

[3] Becchetti & Conzo, 2010, unpublished

Impact of microcredit on schooling in Buenos Aires

Retro questions: years of schooling, age of children

Retrospective Design:



Quick Question !

IV. Data Collection and Implementation:

Questionnaire design:

- ▶ **year** when event happened
- ▶ **cost** incurred

Value added compared to other studies:

- ▶ We go beyond 1 - 0 binary measure of outcome variable:
- ▶ We identify magnitude of change: quantify actual impact
- ▶ Comparison group of non-borrowers

Accuracy of recall, data quality:

- ▶ Professional interviewers + additional training
- ▶ Public landmark
- ▶ Gift for respondents

2011 Year of Entrepreneurship, 2010 Year of Family ...

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2011 Year of Entrepreneurship, 2010 Year of Family ...

People do Remember !

IV. Retrospective Family Size:

Section A. Family

Let's start with your household. Please start with yourself and related at least to food and consumption.

INTERVIEWER! FILL IN THE TABLE STARTING WITH RESPONDENT

| Number | Name | Sex 1 – F 2 – M | Age (complete years old), children below 12 months = 0 | Highest educational attainment: (18 years and above) 1-did not finish school (none of certificate) 2-basic secondary education (7-9 classes) 3-complete secondary education (10-11 classes) 4-secondary vocational education (PTU, SPTU, lyceum, college) 5-higher education (bachelors, masters, postgraduate etc.) 99- below 18 years old |
|--------|------|-----------------------|--|--|
| A1. | | A2. | A3. | A4. |
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |

A14. For the past 10 years (2000-2010) please recall which family events you conducted and what was incurred? Also, have you done any major repairment and home reconstruction? If yes, when you have and what was the cost incurred?

| | | Year of event SEPARATE BY COMMA! 97-if was before year 2000 | Total cost incurred thousand sums SEPARATE BY COMMA! 97-if was before year 2000 |
|---|---------------------------------|---|--|
| 1 | Wedding | 2005, 2007, 2009 | 3000, 5000, 9000 |
| 2 | Other significant family events | | |
| | Repairment of residential | | |

► Current family demographics + weddings track = recreate year-by-year family structure

► Additional conditions:

-1 member if Female of {17; 30} age + wedding record

+1 member if Male of {20; 35} age + wedding record + child birth + additional coordinates: dowry, “free” set of furniture

IV. Retrospective Household Wealth:

A15. Do the members of your family own the following (functional) items as well livestock and poultry? If yes, than how many items there are? What is their current market value? How do you use them? When did you buy them and for how much?

| | | Quantity: 0=none → next row | Current market value: (for total quantity) thousand sums | Use: SINGLE ANSWER! 1-not used 2-used for family needs only 3-used to generate income only 4-used both for family needs and income generation | When did you buy them? MULTIPLE ANSWERS POSSIBLE! SEPARATE BY COMMA! | How much did you pay for them? thousand sums SEPARATE BY COMMA! |
|---|--|-----------------------------------|--|--|--|--|
| 1 | Furniture set | 4 | 30000 | 1.....2.....3.....4 | 2000, 2002 | 7000,9000 |
| 2 | Refrigerator, freezer | 1 | 18000 | 1.....2.....3.....4 | 2005 | 10000 |
| 3 | TV, home TV theater | 2 | 16000 | 1.....2.....3.....4 | 97, 2007 | 97, 5000 |
| 4 | Audio-video appliances (music centre DVD-player video | | | 1 2 3 4 | | |

- ▶ Current value of assets + acquisitions track = recreate year-by-year individual assets
- ▶ Group into [i] durables [ii] vehicles [iii] livestock [iv] housing
- ▶ Sum up all to get year-by-year Wealth

IV. Retrospective panel: magnitude of change

| Obs. | HH | Year | Event? | Credit? | t-2 | t-1 | t = 0 | t+1 | t+2 |
|------|----|------|--------|---------|-----|-----|-------|-----|-----|
| 11. | 3 | 2003 | 0 | 0 | 45 | 0 | 0 | . | . |
| 12. | 3 | 2004 | 0 | 0 | . | | 0 | 0 | . |
| 13. | 3 | 2005 | 0 | 1 | . | . | 55 | 0 | 0 |
| 14. | 4 | 2000 | 0 | 0 | 0 | 0 | 0 | . | . |
| 15. | 4 | 2001 | 0 | 0 | 0 | 0 | 0 | 0 | . |
| 16. | 4 | 2002 | 1 | 0 | 32 | 0 | 0 | 0 | 0 |
| 17. | 4 | 2003 | 0 | 0 | 0 | 63 | 0 | 0 | 0 |
| 18. | 4 | 2004 | 0 | 1 | . | 0 | 68 | 0 | 0 |
| 19. | 4 | 2005 | 0 | 1 | . | . | 0 | 70 | 0 |

Endogenous identification of timing:

- $t=0$ is year when 1st CU credit, and 2nd MCO credit
- Covariates for matching - first and second lags of retro variables [family size, wealth, weddings, constructions]

IV. Questionnaire:

- | | |
|--|---|
| [A] Family Table: | demographics, employment, occupation, education |
| Retrospective: | HH assets, consumer durables, expenses, housing renovation, family events |
| [B] Entrepreneurship activity: | retrospective business history, business assets, size, income, profit, expenditures |
| [C] Borrowing history: | retrospective credit history, knowledge about MFIs, demand for credit and savings |
| [D] Behavioral aspects of borrowing and saving: | time preferences, risk aversion, financial literacy, locus of control |

IV. Field Works: January – March 2011

- [1] Capital [72 MFIs]
- [2] Tashkent region [16 MFIs]
- [3] Fergana region [25 MFIs]

70% of the market
Mature MFIs



V. Respondents group and sample size:

| Respondents | Definition: | Sampling: | Sample size: |
|----------------------|--|--|--------------|
| Borrowers' Group | [1] Borrower of Microcredit Organization [MCO] | microcredit borrowers who have been active over the past few years | 224 [21%] |
| | [2] Borrower of Credit Union [CU] | microcredit borrowers who have been active for the past few years | 262 [24%] |
| | [3] Non-borrower entrepreneur | respondent was identified as an individual engaged in entrepreneurship activity that generates profit and assumes self-employment | 312 [29%] |
| Non-Borrowers' Group | [4] Non-borrower household w/o entrepreneurship activity | respondent was identified as the household head - the most knowledgeable person in the family of an economically active age [for women 18-55 years old, for men 18-60 years old] | 288 [27%] |
| | | Total: | 1086 [100%] |

V. Distance to Nearest MFI:

| Distance Quartile: | Distance: | | Borrowers' group: | | Non-borrowers' group: | | Total: |
|--------------------|-----------|-----------|-------------------|--------------|--------------------------------------|-------------------------------------|--------------|
| | Mean [km] | Std. dev. | MCO borrowers | CU borrowers | Non-borrowers, with entrepreneurship | Non-borrowers, w/o entrepreneurship | Total: |
| 1 [nearest] | 3.9 | 1.4 | 55 [20%] | 101 [37%] | 59 [22%] | 59 [22%] | 274 [100%] |
| 2 | 15.5 | 8.0 | 100 [37%] | 89 [32%] | 42 [15%] | 43 [16%] | 274 [100%] |
| 3 | 50.5 | 12.8 | 24 [9%] | 35 [12%] | 125 [45%] | 95 [34%] | 279 [100%] |
| 4 [farthest] | 87.5 | 22.6 | 45 [17%] | 37 [14%] | 86 [33%] | 91 [35%] | 259 [100%] |
| Total | | | 224 [21%] | 262 [24%] | 312 [29%] | 288 [26%] | 1,086 [100%] |

V. Means of Main Variables by Distance Quintiles:

| | Variables: | Variable mean of distance to nearest MFI | | | | Total: |
|---------------------------------|-----------------------------------|--|-------|-------|-----------|--------|
| | | D1 near | D2 | D3 | D4 far | |
| Demogr. | Respondent age [years] | 39 | 41 | 43 | 40 | 41 |
| | Female dummy | 0.62 | 0.41 | 0.35 | 0.40*** | 0.45 |
| | Household size | 4.23 | 4.75 | 5.33 | 5.00*** | 4.82 |
| Education | Basic secondary education | 0.05 | 0.05 | 0.05 | 0.03*** | 0.04 |
| | Complete secondary education | 0.25 | 0.23 | 0.27 | 0.30*** | 0.26 |
| | Secondary vocation education | 0.38 | 0.38 | 0.46 | 0.48*** | 0.42 |
| | Higher education | 0.32 | 0.34 | 0.23 | 0.17*** | 0.27 |
| Behaviour | Financial literacy | 12.02 | 12.02 | 11.75 | 10.65*** | 11.62 |
| | Trust to MFIs | 0.61 | 0.66 | 0.33 | 0.50*** | 0.53 |
| | Locus of control | 0.23 | 0.13 | 0.17 | 0.15*** | 0.17 |
| | Risk aversion | 0.45 | 0.51 | 0.47 | 0.47*** | 0.47 |
| Lagged covariates ['000 UZS] | Household wealth, -1 lag | 992 | 1645 | 695 | 1903*** | 1299 |
| | Household wealth, -2 lag | 801 | 1244 | 603 | 1820*** | 1110 |
| | Wedding expenditures, -1 lag | 1,110 | 436 | 691 | 551 | 517 |
| | Wedding expenditures, -2 lag | 354 | 390 | 662 | 511 | 480 |
| | Construction expenditures, -1 lag | 346 | 373 | 451 | 312** | 371 |
| | Construction expenditures, -2 lag | 296 | 346 | 394 | 269* | 326 |

V. Effect of greater access to microcredit on Business Outcomes:

| Outcome: | All households | | Agriculture - Primary business | |
|-------------------------------|----------------|------------------------------|--------------------------------|------------------------------|
| | % on-support | ITT effect (SE bootstrapped) | % on-support | ITT effect (SE bootstrapped) |
| [1] Business revenue | 99.9 | 16,019*** (3,379) | 99.9 | 16,298*** (5,152) |
| [2] Business profit | 99.9 | 4,929*** (1,522) | 99.9 | 6,276** (1,829) |
| [3] Business size (employees) | 99.9 | 0,38* (0,20) | 99.9 | -0.18 (0.70) |
| [4] Business capital (assets) | 99.9 | 2,250 (3,318) | 99.8 | 13,167*** (2,393) |
| [5] Labour productivity | 99.9 | 8,893*** (1,303) | 99.8 | 13,711*** (1,588) |

V. Business Impact: Interpretation

- ▶ **Better access to microcredits has a positive and highly significant impact on business revenue and profits, and on employment [although at a lower level of significance]**
- ▶ **While the impact on business assets is positive, it is not statistically significant. This may represent the less precise accuracy of asset measures when compared to income and employment figures**

Positive and significant effect on Income and Profit:

- ▶ **In line with RCT in India [Banerjee et al. 2010] and Philippines [Karlan and Zinman, 2010] - existing business owners benefitting from access to credit are able to expand their enterprises**

No [negative] effect on Size of Business:

- ▶ **Cost reduction associated with business expansion**
- ▶ **In line with RCT in South Africa [Karlan & Zinman, 2010] – successful businesses, after getting credit, shrink by shedding unproductive workers. Family type business: first rely on family members then hire externally**

V. Effect on Household Consumption:

| Expense Category: | % on-support | ITT effect (SE bootstrapped) |
|-----------------------------|--------------|---------------------------------|
| [1] Total HH expenses | 100 | 7,627*** (969) |
| [2] Education expenses | 100 | -1,212** (382) |
| [3] Health expenses | 100 | 1,50.6*** (15.2) |
| [4] Social expenses | 100 | 1,977*** (205) |
| [5] Housing expenses | 100 | 3,389*** (652) |
| [6] Expenses on basic needs | 100 | 2,172*** (181) |
| [7] Total assets | 100 | 48,262*** (2545) |

V. Household Impact: Interpretation

- ▶ We find positive and significant impact of better access to microcredits on most types of household consumption as well as total assets
- ▶ This is consistent with Kaboski and Townsend (2012) of an overall increase in consumption from availability of microcredits.
- ▶ The one exception to the pattern is education, where better access to credit appears to lower expenditures →
- ▶ This may reflect substitution of physical for human capital when credit is available, and more likely to reflect the co-location of fee-charging secondary/ tertiary educational institutions in the same geographic area as MFIs

Conclusions:

- 1) Despite improvement of access to finance, physical barriers to reaching financial institutions continue to be significant barriers
- 2) We find positive and significant effects of better geographic access to microcredits on both business success and levels of household consumption
- 3) Household with better access run larger businesses, employ more workers and earn greater profits
- 4) Households living closer to an MFI spend more in almost every consumption area yet also have greater accumulated assets (savings)
- 5) The overall results in the study reinforce theoretical predictions and other empirical studies showing that expansion and access to finance can substantially improve household well-being

Summary:

- 1. Microcredit work**
- 2. People learn → become more rational with a better access to MFIs**
- 3. Geographical proximity matters !**
- 4. Policy implications for MFIs who plan to open branches in new areas**

VI. Publication Process

VI. Publication Journey:

Defense: March 2014

Journal submissions: 2013 and onwards

- 1. *World Development***
- 2. *Journal of Comparative Economics***
- 3. *Journal of Development Economics***
- 4. *Development Policy Review*: April 2016-2017
published**

Development Policy Review IF=0.8

- **First submitted: April 2016**
- **Revise & Resubmit Letter: June 2016**
Only one Referee Comment with several minor suggestions
- **Revisions Submitted: September 2016**
- **Manuscript Accepted: September 2016**
- **In press: Spring 2017**

Referee Comment:

Comments to the Author :

The research problem being addressed in the paper is about the effect of geographic proximity on distance-related access to microcredit in Uzbekistan. The paper adds critical knowledge of microfinance in a region which is not much discussed in the literature. The paper provided a constructive analysis of the literature, supported through a sound empirical analysis. The findings indicate that in households with better geographic proximity to a MFI run more profitable enterprises. It is clear from the abstract of the article that this is a complex issue, may be more purposeful with a discussion on the policy relevance/consequences of key finding. In order to have more people be engaged and read the whole article it needs a new, more concise introduction, and a better conclusion. Furthermore, the issue of physical barriers need to be explained in the macro context of financial provision in the sample areas. Without a comprehensive discussion on this aspect, the concluding remarks such as the need of expansion of access to finance is limited. Overall it is a good, well-written article with an important message for microfinance organizations.

“Back-stage” research journey:

**[1] From research idea generation [November 2008]
to Dissertation Defense [March 2014]**

[2] Data collection [January 2010-March 2011]

[3] Final publication [April 2016 - March 2017]

“Back-stage” research journey:

- **Presentation, comments and feedback in 12 scientific conferences and workshops**
- **65 drafts and revisions of manuscript**
- **2 years of econometric and data analysis**
- **2 Working Papers, 1 Policy Brief, various reports in between, customized research findings to Uzbek MFIs → nature of applied research 😊**

Best PhD paper on Microfinance award: European Microfinance Community Annual Meeting in Luxembourg, November 2013



University Meets Microfinance Award Certificate

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Nargiza Alimukhamedova

for an outstanding PhD paper on a topic related to financial inclu

Better access to microcredits: does geographical proximity matter?

Luxembourg, 12th November 2013



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2013 UMM Awards - PhD Final Winner

Thank you !

Questions?

Comments?