

Contents

FOREWORD. The Controversial Universe of Microfinance.....	9
PREFACE. A Journey into Microfinance	13
List of Figures.....	21
List of Tables.....	23
List of Acronyms used	25
 CHAPTER 1. Microcredit as a Response to a Wicked Problem	 27
Responsibility for Wicked Problems	28
The Wickedness of the Sustainable Development Problem	29
The Origins and Evolution of Corporate Social Responsibility	31
Alternatives for Helping the Poor.....	34
Microcredit: An Instrument to Address a Wicked Problem	38
Why People Did Not Lend to the Poor.....	39
How Microcredit Solved the Problems	41
Is Microcredit a Social Innovation?.....	44
The Evolution of Microcredit	47
The Spread of Microcredit.....	48
The Transformation of Microcredit	51
The Achilles' Heel of Microcredit	57
Outline of the Book	61
 CHAPTER 2. Institutional Study of Microcredit: Successes and Failures	 63
What Made Microcredit Successful?	63
Regional Analysis	64
Industry Analysis	69
Organizational Analysis.....	75

Unsustainable Growth of Microcredit	80
The Impact of Financial Crisis on Microcredit	81
Ethical Crisis within Microcredit Organizations	83
Life Crisis among Microcredit Beneficiaries.....	89
Enabling Institutions to Protect Microcredit.....	92
Usury Legislation	92
Transparency.....	95
Religion	99
Concluding Remarks	103
CHAPTER 3. Innovations to Make Microcredit	
a more Powerful Tool.....	105
MIS to Control Operating Costs and Increase Outreach	110
MIS Packages and Cross-Purposes Problem	114
Free and Open Source Software (FOSS).....	117
SaaS for Microfinance	120
Crowdfunding to Lower Financing Costs	
and Increase Financing	125
Understanding the Peer to Peer Lending Space.....	126
The Role of Trust in Online Funding.....	129
Socio-Ethics as a Barrier to Innovation.....	132
Process Innovations Concerning Risk, Outreach	
and Impact	134
Financial and Time Use Diaries.....	136
Credit Scoring to Reduce Risk and Mission Drift.....	140
Poverty Scoring to Reduce Mission Drift.....	142
Concluding Remarks	144
CHAPTER 4. Other Micro Products and Services to Attack	
the Problem.....	147
Reducing Stress through Equity	148
Microangel Investment Process.....	150
Microequity Movement	155
Slow Money and Impact Investments	156
Levelling Wicked Problems Through Wages,	
Insurance and Savings	159

Minimum Wage Solution.....	160
Innovating Microinsurance.....	162
Influencing Microsavings Behavior.....	168
Building Entrepreneurial Capacity with Complementary Institutions	170
Capacity Building with Microcredit.....	171
Innovative Cooperatives of Entrepreneurs	177
What Capacity for the Future	179
Concluding Remarks on Motivation for Research	183
References	187
Index.....	219