

## **Effectiveness of microcredit for poverty alleviation: Evidence from Indonesia**

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### **Abstract**

Debate persists about the effectiveness of microcredit for poverty alleviation. We argue that much of this debate is due to discipline-specific research approaches and methodological complexities obscuring fundamental issues. Microfinance organisations do not operate in a vacuum: other forms of collateral-free lending must be taken into account. We illustrate our argument with a study of formal and informal collateral-free lending in the Yogyakarta region of Indonesia. Focused on the fundamental issue of competitive impact, we examine both forms of microcredit through triangulation from multiple perspectives, grounded in the experience of market participants. Importantly, our study includes current and previous borrowing across both formal and informal microcredit. We find two distinct informal schemes used by microbusinesses, both of which successfully compete with formal microfinance, one being

perceived as significantly more effective. We also find a mismatch of incentives and strategic objectives in the formal microcredit scheme, compromising its effectiveness. We conceptualise borrower needs and microcredit schemes along financial and operational dimensions, and develop a framework of business and profit logics that helps identify how shifts therein influence the competition scenario. We discuss implications for microfinance policy and practice, and provide suggestions for further research.

## Keywords

Microcredit, poverty alleviation, collateral, informal, Indonesia, qualitative, interdisciplinary

小额信贷对于减贫的作用：印度尼西亚

## 摘要

关于小额信贷对于减贫作用的讨论一直在进行。很多这些讨论因为其具体学科研究方法的复杂性反而模糊了最基本的问题。小额信贷机构并不是在真空中进行操作的：其他形态的免抵押借贷形式也应该被纳入讨论范畴。我们会用在印度尼西亚日惹地区进行的关于正规和非正规免抵押借贷形式的研究成果来说明自己的论点。聚焦于最根本的竞争所能带来的影响，根植于其作为市场竞争者的经验，我们以三角测量法从多个角度检视了这两种借贷方式。重要的是，我们的研究包括了从过去到现在的正规和非正规两方面的小额信贷。我们发现了特有的两种小企业者会使用的小额信贷形式，这两种形式都成功地在与正规的小额信贷机构竞争，其中一种被视作更为有效的形式。我们还发现了正规小额信贷计划中动机和战略目标不匹配的问题，这降低了它的效率。我们从金融和运营两个维度理论化了借贷者的需求和小额借贷计划，发展出了一套商业与盈利逻辑的框架，用以帮助理解框架内的变化是如何影响竞争情境的。我们会讨论这项研究对于小额信贷政策和执行的启示，也会为未来的研究提出建议。

关键词：

小额信贷；减贫；抵押；非正规；印度尼西亚；质性；跨学科