

Propositions

Attached to the thesis

Akhuwat Microfinance: Participation, Impact and Gender-Based Heterogeneity in Business Returns

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1. Individuals learn from the past. Historical outcomes drive their decision whether or not to apply for microcredit. (This thesis)
2. Individuals who consider the loan recovery methods used by microfinance institutions to be coercive shy away from microcredit. (This thesis)
3. In Pakistan, returns to capital for microenterprises are considerably higher than the market lending rates and thus the microfinance sector in Pakistan has enormous potential for growth. (This thesis)
4. Compared to men, women entrepreneurs in Pakistan earn significantly lower business profits. A major portion of gender-based earning gaps is not explained by differences in endowments. (This thesis)
5. Purdah –a source of gender segregation and impediment in access to labour markets –limits women’s entrepreneurship potential in Pakistan. (This thesis)
6. Compared to larger firms, returns to capital in smaller firms is higher.
7. Imperfect credit markets systematically ration out poor households. As a result, lack of access to capital locks poor households into a poverty trap.
8. Joint liability contracts have embedded incentives for addressing problems of moral hazard and adverse selection in imperfect credit markets.
9. By design, randomized experiments remove selection bias in impact evaluations.
10. Theoretically female entrepreneurs are considered more credit constrained; however, a capital-alone approach may not be sufficient for their growth.
11. Though microfinance is pro-poor, sometimes its reckless implementation does more harm than good.