Economics Seminar, Indian Statistical Institute, New Delhi.

SPEAKER: Renuka Sane, IGIDR

TITLE: How does Micro-Credit Matter: Evidence from a Large-Scale Natural Experiment

TIME: 11:30 AM - 1:00 PM.

DAY & DATE: Friday, 12th October, 2012

PLACE: Seminar Room 2

Abstract:

Micro-finance in the southern Indian state of Andhra Pradesh came to a standstill in October 2010, when the state government passed an Ordinance that effectively prohibited any new loans and stopped collection of repayments. This paper evaluates the impact of such a large-scale withdrawal of credit on the average household expenditures in regions affected by the Ordinance and finds sharp falls in food and intoxicants expenditure. The paper points out that micro-credit matters and large scale withdrawal of credit can have detrimental impacts on household expenditures, thus contributing to the literature on evaluating the impact of micro-credit as well as understanding the impact of liquidity constraints on consumption smoothing.

http://www.isid.ac.in/~pu/seminar.html