

Microfinance Researchers Alliance in India

Date: June 3, 2009

Centre for Micro Finance
8th Floor, Fountain Plaza
Pantheon Road, Egmore
Chennai 600008
INDIA

Microfinance Researchers Alliance in India

Background

As microfinance develops into an integral part of economic development initiatives, high quality research becomes all the more important to ensure microfinance programs effectively and efficiently serve the poor. However, the microfinance research community in India has not developed as rapidly as the sector itself, losing, as a result, an important opportunity for synergies between practice and research. Research questions often do not stem from insights generated in practice and, in return, implementations of microfinance program are not often based on research findings. Furthermore, not only is research disconnected from the practice of microfinance, there is also a gap among researchers themselves. The low level of communications among researchers results in lower research quality, and the microfinance research community fails to synthesize individual knowledge into a common knowledge base for the sector.

Program Description

To fill the gap that exists both between practice and research and among microfinance researchers, the Centre for Micro Finance (CMF) at the Institute for Financial Management and Research (IFMR), Chennai, plans to offer a research capacity development program named Microfinance Researchers Alliance (MRAP) in India. This program, with its three-year timeframe and intensive support, is the first of its kind in the microfinance community in India. It envisions developing research capacity among young Indian researchers working on various microfinance issues and enabling them to engage more actively in the mainstream microfinance arena through active participation in research-practice dialogues. This program is financially supported by the Ford Foundation.

Objectives and Target Audience

The primary objective of the program is three-fold:

- To build research capacity among Indian researchers who are conducting or are interested in conducting research in microfinance;
- To build a strong network of Indian researchers working on these issues and translate individual knowledge into a sector-wide knowledge base; and
- To foster “knowledge partnerships” between researchers and microfinance institutions and promote research-practice dialogues.

This program consists of two distinct components, each of which has a specific target audience.

1. MRAP aims to provide a long-term, intensive research capacity building support to selected researchers in their early- to mid-career with strong research potential (the “Research

Capacity Development Component”). Approximately 20 members will be selected for this program after a rigorous screening process. We have already selected 12 candidates in the first round of selection, which took place in November 2008.

2. MRAP intends to provide a common online platform for a wider range of researchers where they can engage in a dialogue with one another, exchange research ideas, share information about issues in microfinance research and access information about the sector (the “Microfinance Researchers’ Platform Component”). We have already designed e-platform (<http://ifmr.ac.in/cmfmrap/>), and information on the platform is accessible to all interested researchers, independent consultants, or microfinance service providers, but participation (post an article, comments, etc) is limited to selected MRAP candidates. The platform is managed and moderated by CMF. Additional resources such as information on upcoming conferences or workshops at CMF or elsewhere, potential research funding sources, or important research will also be provided by CMF.

Expected Outcomes

Throughout the course of the program, the first group will be exposed, in-depth, to issues facing the microfinance sector today as well as a variety of rigorous research methodologies. At the end of the program, each participant is expected to have completed or be conducting a study with a sound research methodology and present at the Microfinance India Conference and publish its (preliminary) results. Furthermore, they are expected to have created strong ties with an MFI operating in their respective region and carry out a study in partnership with the MFI.

The program also aims that the online platform will have established itself, by the end of the third year, as a leading information clearinghouse where key players in the sector, namely microfinance researchers and practitioners, can engage in productive dialogues. Considering the limited development of the microfinance research community in the country, the focus on *microfinance research* is deemed particularly important.

Contents of the Program

The program launch

The program was launched on November 14-15, 2008 in Delhi with a 2-day meeting inviting potential participants. 25 applicants were invited out of which 20 attended the meeting. Candidates hailed from various states in India ranging from Himachal Pradesh, Assam, West Bengal, Delhi, Gujarat to Kerala, Hyderabad, Karnataka and Tamilnadu. Out of 25 candidates, we selected 12 candidates for the program. Profiles of the selected MRAP participants can be found at (<http://ifmr.ac.in/cmfmrap/profiles-of-mrap-participants/>)

We are re-launching the program on July 25-26, 2009 at Chennai. In the meeting, the details of the program will be presented to the candidates and all candidates will be interviewed by CMF to determine their eligibility. During the interview, candidates will have an opportunity to describe their

current or future research on microfinance, which will be one of the most important criteria for screening. Within a month from this meeting, the final participants will be announced.

Research Capacity Development Component

This component comprises of several different support services for research capacity development.

Board of advisors committee: A board of advisors committee consisting of 3-4 members will be formed. It will provide an oversight in the overall structure and direction of the program.

Two workshops every year: The primary objective of the program is to build research capacity of the participants and to facilitate their understanding of the microfinance sector by providing the most up-to-date information of the sector. With this in mind, participants are expected to attend 2 workshops in a year. One workshop is intended to provide a hands-on experience of rigorous research methodologies and instructions of conducting household surveys, data analysis, etc. Over the course of the program, participants are expected to attend, among other workshops, such as

- i. “Evaluating Social Programs” conducted by the Poverty Action Lab, MIT.
- ii. “Preparing and Conducting Large Scale Rural and Urban Household Surveys” Conducted by CMF
- iii. “Rapid Immersion into Microfinance” conducted by CMF.

These workshops are intended to provide current trends in the microfinance sector as well as exposure to the state-of-art research currently conducted at CMF and elsewhere.

One exposure visit every year: In order to facilitate the participants’ understanding of rigorous research methodologies and research operations in the ground, CMF plans to bring them to one of CMF research sites once in a year.

Two research seminars every year: These research seminars will be the primary opportunity for the participating researchers to present the progress of their research and receive feedback from advisers, CMF research associates, Ford Foundation, and other experts in the sector. CMF also organizes regional seminars on microfinance inviting researchers and practitioners working in the region. The participating researchers will also have an opportunity to present their work in these regional seminars.

MFI-researchers collaboration or engagement: Towards the end of the first year of the program, the researchers are expected to formulate a research design which will be undertaken in the remainder of the program. The proposals will be evaluated by the management team of the program with a special emphasis on the soundness and rigor of research methodology. These researches should ideally be conducted in partnership of an MFI operating in the same area as the researcher. In addition, CMF is considering selecting a limited number of researchers who engage in an existing CMF study where they have opportunities to interact with leading professors in the field from MIT, Harvard, Yale, IIM, etc.

End conference at the end of 3 years: At the end of the program, the researchers are required to participate in Microfinance India Summit and present the results of their research and write a research paper to be published either as a CMF working paper series or other refereed journals.

Research fund: CMF will provide information on potential research funding to selected MRAP candidates. The details of the same will be furnished later.

Microfinance Researchers' Platform Component: The following services are provided as part of this component:

E-platform: In order to facilitate discussions among researchers on on-going and potential studies, an online platform has been created. This platform is open to public, but participation is limited to selected researchers and is moderated by CMF.

E-library on Microfinance Literature: One of the research constraints that were observed was lack of access to or knowledge of seminal papers in microfinance research. To overcome this constraint, CMF has developed a database of literature in microfinance. Papers are organized by topic, authors, and other key factors to help researchers locate resources researchers are looking for. The objective of setting up this e-library is not to compete with existing resource portal, but to leverage existing resources, such as CGAP's Microfinance Gateway, and make it more accessible for researchers in particular.

Annual researchers' meeting: To substantiate discussions that take place on the platform, CMF is planning to organize a yearly meeting inviting interested researchers to elaborate some topics of discussions. Topics will be determined based on the actual discussions that take place in the platform.

Prerequisites, the Screening Process, Commitments from Participants

Given the extent of financial and non-financial support the participating researchers would receive over the course of 3 years, the selection process will be highly rigorous and competitive. The following is a list of prerequisites to apply for the program:

- PhD holder in academic disciplines including economics, political science, sociology, anthropology, women's studies, statistics, finance, etc.
- Have experience in leading a research team for field research.
- Is associated with a university, teaching college, an autonomous research institution.
- Is motivated, enthusiastic young mid-career researchers who would be able to commit time and effort for 3 years of research.

Eligible candidates can obtain the necessary application documents at www.ifmr.ac.in/cmfrap.html.