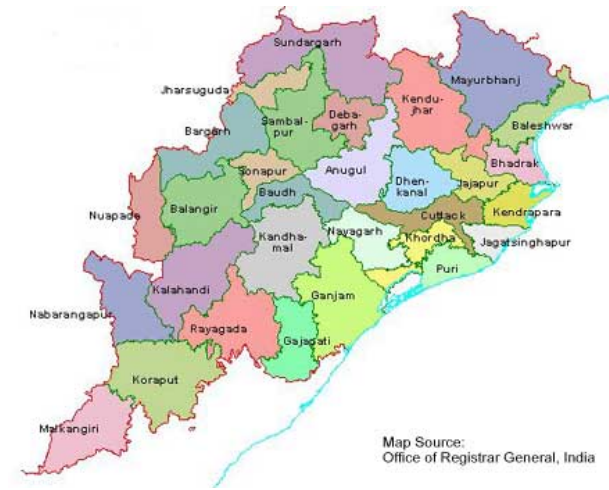


# Reputation and Communication in Microfinance



## An Exploratory Study in Orissa, India



# Motivation for this Project



**SHARE MICROFIN LIMITED**

# Overview of mF Sector in Orissa

## GRAM-UTTHAN

BISWA

AWARENESS

BASIX

SKS

ADHIKAR

ASMITHA



SWAYAMSHREE

KAS FOUNDATION

# A Sector in Transition

## Mounting Competition

*“Until two to three months ago, there was no overlapping. Kas and Biswa have changed that.”*

Biranchi Mishra, ICICI Bank, Mgr Microfinance Orissa

(Referring to the meteoric growth and expansion of two of its ICICI partners)



# A Sector in Transition

## Rumors and Transparency

*“Asmitha and Basix are different because they take a flat rate of interest -- They have no social consciousness; they work in isolation.”*

Khirod Chandra Mallick, Chairman of Biswa



# A Sector in Transition

## Supply Side Politics

*“Other ‘agencies’ are essentially undoing all of the work we have already put into the sector. You cannot just give them money and tell them to do business.”*

Dharitri Dwivedi, CEO of RGVN



# Overview of Government mF Schemes

Mission Shakti

Integrated Child Development Scheme (ICDS)

Swaryayanti Gram Swarozgar Yujana (SGSY)

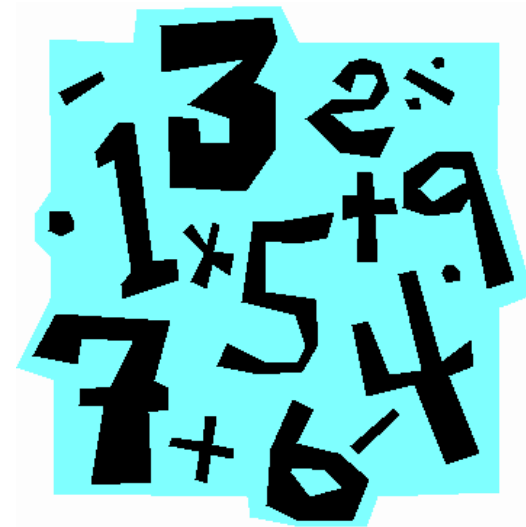


# Government-Administered Microfinance

## Reputation

*“You cannot create development with a target-driven approach.”*

Dharitri Dwivedi, CEO of RGVN



# Government-Administered Microfinance

## Competition/Conflict of Interest

*“Nobody can compete with the reach of the government.”*

A.K. Mukhapadhyay, NABARD's Orissa GM



# Government-Administered Microfinance

## MFI-Government Relations

*“We try to keep good relations with government, but it’s hard to make appointments with government officials.”*

Devdatta Panda, Mgr of Gov’t Banking Group, ICICI Bank



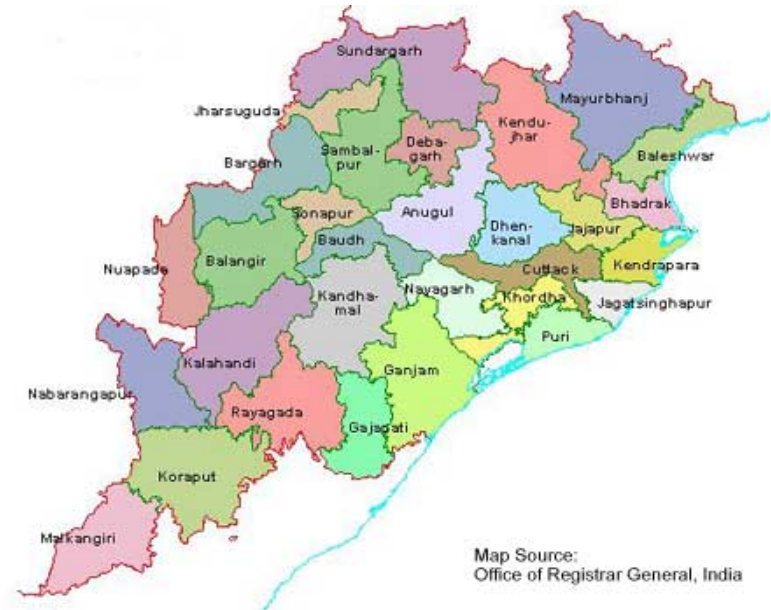
# The First Shot?: SLBC Controversy

- March 8 –SBI accuses MFIs of charging upwards of 120%
- April – Gov't calls for Independent Audit by RBI
- June 24 – SLBC caps interest rates at 28%
- June 25 – Statewide newspaper prints inflammatory article



# Recommendations

- Design a Communications Strategy
- Work on Improving Government Relations
- Create Network of MFIs



Map Source:  
Office of Registrar General, India

# QUESTIONS???

