

Accepted Manuscript

Title: Which types of microfinance institutions decentralize the loan approval process?

Author: Hubert Tchakoute Tchuigoua

PII: S1062-9769(17)30210-7

DOI: <http://dx.doi.org/doi:10.1016/j.qref.2017.07.002>

Reference: QUAECO 1051

To appear in: *The Quarterly Review of Economics and Finance*

Received date: 16-7-2016

Revised date: 2-6-2017

Accepted date: 3-7-2017

Please cite this article as: & Tchakoute Tchuigoua, Hubert., Which types of microfinance institutions decentralize the loan approval process?. *Quarterly Review of Economics and Finance* <http://dx.doi.org/10.1016/j.qref.2017.07.002>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



Which types of microfinance institutions decentralize the loan approval process?

Hubert TCHAKOUTE TCHUIGOUA

KEDGE Business School

Corresponding author: Hubert TCHAKOUTE TCHUIGOUA, KEDGE Business School, Department of Accounting, Auditing and Control, 680 cours de la Libération, 33405 Talence CEDEX, e-mail: hubert.tchakoute@kedgebs.com

Highlights

- We identify microfinance institutions characteristics that affect the choice of a decentralized loan approval process and link loan officer authority to MFIs outreach.
- MFIs size, cooperative status, and solidarity lending affect the likelihood of choosing a decentralized loan approval process.
- Allocating the decision-making authority to the loan officer improves MFIs' breadth of outreach (the number of active borrowers).
- Allocating the decision-making authority does not affect the size of the loan portfolio and does not deteriorate MFIs' loan portfolio quality.

Abstract: Which characteristics of microfinance institutions affect the choice of a decentralized loan approval process? That is the main question this article attempts to answer. A second concern is whether the choice of allocating the loan approval decision to the loan officer enables a microfinance institution to expand its number of loans and improve its loan portfolio quality after controlling for the endogeneity of the choice of decentralizing the loan approval. To achieve this goal, we study an independently pooled cross-section sample of 362 assessment reports for 267 MFIs from 2001 to 2012 across 67 countries. Results suggest that size, cooperative status, and solidarity lending are MFI-level variables that affect the likelihood of choosing a decentralized loan approval process. Allocating the decision-making authority to the loan officer improves MFIs' breadth of outreach (the number of active borrowers) but does not affect the size of the loan portfolio and does not deteriorate their loan portfolio quality.

Keywords: decentralization, loan officer, loan approval, legal status, microfinance

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات