

— SEMINAR —

organized by the

Centre for European Research in Microfinance



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Competition and the Performance of Microfinance Institutions

(Paper by Assefa E., N. Hermes, and A. Meesters)

Wednesday January 26th, 2011

From 2.00pm to 4.00pm

At Seminar Room **R42.2.110** (Centre Emile Bernheim)

Solvay Brussels School of Economics and Management

Université libre de Bruxelles

Abstract:

This paper examines the relationship between competition and the performance of microfinance institutions (MFIs). We measure competition by constructing a Lerner index. Next, we assess the association between increased competition among MFIs on the one hand and outreach, loan repayment, efficiency and financial performance on the other. The empirical investigation is based on data from 362 MFIs in 73 countries for the period 1995-2009. Based on our measure of competition we do find a general trend of increased competition in microfinance during the last decade. Our econometric analysis provides evidence that competition among MFIs is negatively associated with various measures of performance.

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Please confirm your presence by January 21st, 2011.

