

## Book Review

*Beyond Micro-Credit:  
Putting Development  
Back into Micro-Finance*

by Thomas Fisher and M. S. Sriram

James R. Bradshaw

This book is a very detailed and excellent overview of microfinance that will give the reader a good insight in a very short period of time. The text has a geographic focus on India that provides background on India and its microfinance experience. Both authors have extensive experience in this field. They write with authority and knowledge on the subject. The contributing authors are also able to extend the understanding provided in the book with greater depth and coverage.

The book begins with two introductory chapters. The remainder is divided into two parts: part 1, "Micro-finance and development," covers four chapters, and part 2, "Micro-finance: Organisations and institutions," includes the remaining six chapters.

After the second or third review of this book the importance of the first chapter became clear. If one takes the time to carefully understand the full detail of chapter 1, it provides a good beginning for most of the book. With that understanding

you can then go directly to the chapters that seem to be the most appropriate for your research or interests.

The two introductory chapters do a good job of outlining what one can expect to find throughout the text. The clear definition of what microcredit is expected to do is very helpful. The introduction also helps to explain the debate between two schools of thought, namely the finance school and the poverty school. The finance school tends to focus on the service of providing for the financial needs of those who can qualify, whereas the poverty school focuses on the need to reach poor people. The authors suggest that the debate can go on forever and hope that in this book they explore developmental purposes to which microfinance can be put that go beyond integrating a range of micro-financial services for poverty alleviation. They then acquaint the reader with a variety of developmental needs that could be impacted through microfinance, including livelihood promotion, developing the local economy, empowerment, and building democratic people's organizations.

An overview of the Indian microfinance sector in the introductory chapters provides a context for many of the examples and issues discussed in the chapters that follow. The introductory chapters also explain the wide range of financial services encompassed in the field of micro-finance.

The four chapters included in part I are written by the two primary authors. These chapters each focus on the relationship of micro-finance to particular aspects of economic development. The developmental issues of focus in these chapters are varied, including social and economic security; rural issues; nonfinancial services such as training, infrastructure, social intermediation, democratic organizations, and asset ownership; women's empowerment; and legal and institutional or system-wide change.

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Chapter 6 introduces a distinction between institutions and organizations that is the basis for all six chapters included in part 2. Contributing authors have written these chapters.

Three of the part 2 chapters focus on self-help groups. Malcolm Harper contrasts somewhat autonomous, democratic self-help groups with more structured Grameen Bank groups, highlighting the diversity that exists within the microfinance industry.

Mathew Titus focuses on self-help groups in urban settings with their nontraditional community and kinship ties. The importance of recognizing that cost differentials are not completely within the control of organizations promoting self-help groups is emphasized.

Ajit Kanitkar examines the development stages of self-help groups, also highlighting the wide range of diversity in the performance of individual self-help groups. Kanitkar also discusses leadership, its traits, costs, and rewards with respect to self-help groups.

The remaining three chapters draw on the earlier discussions to explore industry-wide issues. Sanjay Sinha and Frances Sinha focus on industry measurement issues, proposing a rating mechanism for microfinance and discussing issues related to the measurement of wide developmental impacts in India. Mathew Titus then examines the demand for microfinance services in India and the roles stakeholders must play in order for the industry to be adequately promoted.

To bring it all together, Thomas Fisher, one of the main authors, discusses five emerging lessons and challenges that the microfinance industry must face if it is to be an "instrument of development." Particular challenges of capacity-building are identified.

The book covers much more than it seems at the beginning. It provides both overview and depth of discussion on microcredit, microfinance, and development in poverty/struggling areas. The book is also benefited by the tables,

figures, and boxes. These seem to give a very good overview and picture at a glance.

The density of the chapters could have a tendency to overwhelm a reader who does not have the patience and persistence to continue. Perhaps some additional charts or graphs to interrupt the continual reading would provide at least a breather. Nevertheless, in the final chapter Fisher does a very good job of summarizing and tying everything nicely together.

*Beyond Micro-Credit: Putting Development Back into Micro-Finance*. Thomas Fisher and M. S. Sriram, with contributions from Malcolm Harper, Ajit Kanitkar, Frances Sinha, Sanjay Sinha, and Mathew Titus; published jointly by Vistaar Publications (New Delhi), Oxfam (Oxford), and New Economics Foundation (London), 2002.

