Barriers to Credit Access in Rural Sri Lanka

Rauno Zander

A key problem in any comparative analysis of formal and informal finance is how to determine borrowers’ preference for specific savings and credit systems. Many policymakers -- both supporters and opponents of cheap credit policies -- assume that borrowers base their decisions on one particular loan component, that is, the interest rate. However, other costs of loan transactions might have a much more decisive impact on decisions of (potential) borrowers. The transaction cost analysis, attempting to identify all costs incurred by borrowers and lenders, has shown that interest rates are but one of a set of borrowers’ transaction costs. These costs usually include travelling costs to the credit institution, opportunity costs of labor for the time lost in lengthy application procedures, and expenses of updating or organizing legal documents used as collateral.

For more than two decades, analysis of borrowers’ transaction costs has served as the analytical tool to investigate decisions of borrowers pro or contra informal and formal lenders. However, I feel that transaction costs cannot explain borrowers’ decisions comprehensively. These costs imply a ranking order by borrowers: the cheaper the credit source, the more likely they will try to get a loan from that source. Empirical evidence from my surveys in Sri Lanka suggests there is more at stake. This chapter introduces an alternative analytical framework based on these field surveys. The objective is to identify the existence and scale of entry barriers into formal and informal segments of financial markets.

Earlier Findings from Sri Lanka

The analysis of interest rates has figured prominently in economic studies that compare formal and informal credit sources. Sri Lanka’s Central Bank compares interest rates in its various surveys of rural credit markets. The 1976 survey among paddy farmers showed that a large number of loans in the informal sector carried a high interest rate, but also that this apparently did not deter customers (Central Bank of Ceylon 1971 and 1981). Fernando (1988) comprehensively describes interest rates of informal lenders in Sri Lanka and the perception of these rates among borrowers.

However, focussing on interest rates alone is not sufficient to explain borrowers’ choices for or against a particular financial intermediary. To a borrower, the interest rate represents but one of a set of total loan costs, that also comprises opportunity costs of foregone labor, the costs of travelling to the lender, and administrative costs such as paying for loan application forms. In a comparative study of formal and informal loans in the Kurunegala District, Gunawardena (1981) not only found that loan transaction costs for borrowers from banks were considerably higher than for customers of moneylenders and traders, but also that formal lenders fail to provide sufficient services:

The various stages that the farmers have to pass through before they finally get their loans from the banks are beset with a number of obstacles. Running after guarantors and struggling to cut through official red tape are two of the many handicaps that the farmers have to guard against (Gunawardena 1981: 18).

An internal report of the IFAD-supported Integrated Rural Development Project in Badulla suggests that loan transaction costs of informal sources are 14 percent lower than those of banks, opportunity costs of labor providing a decisive cost component.

Lack of data on types and shares of informal intermediaries involved in the loan total, impede a comparison of the two studies. Gunawardena only includes loans from traders and moneylenders, while the Badulla report presumably includes the large share of loans from friends and relatives, typical of Sri Lanka (Fernando 1988), which are free of interest and hidden costs.

Barriers that Borrowers Face

Ranking lenders according to interest rates and transaction costs only, implies that borrowers most likely will make use of those lenders with lowest rates and costs. But borrowers’ decisions to accept or reject are influ-

1. I wish to thank Professor von Blanckenburg for his support and encouragement and the German Research Council (DFG) for funding the project.
enced by other factors as well. The following barriers may prevent potential borrowers from applying for a loan:

1. Prohibitions on lending to former defaulters;
2. Collateral may not be available, especially when land titles are required;
3. Guarantors may be difficult to find, especially for people without connections in the higher strata of village society. Even when this is the case, there is a problem if a regular tax payer is required as a guarantor. Borrowers in urban areas have found a way out of this. A secondary market for guarantors has emerged with brokers bringing borrowers and a guarantor together. This can easily be included as a transaction cost for the borrower, but in the villages an applicant without the right friends may have to abandon a credit application altogether if no wealthy guarantor supports his request for a loan;
4. Some people have psychological barriers against using banks, or cannot cope with the complex procedure of a credit application typical of many institutional lenders;
5. Social proximity and personal knowledge between creditor and debtor. On the one hand, lack of close personal ties can constitute a barrier to entry. On the other hand, a borrower might not choose the most cost effective loan source, but the lender with whom he feels most comfortable in requesting a loan;
6. One may be excluded from borrowing because of political reasons.

Many borrowers are not able to overcome these barriers irrespective of the transaction cost level. An analysis explaining decisions for or against certain loan sources should take these barriers into account. Even if there are no barriers to entry into the rural credit market, borrowers’ decisions may still be influenced by factors other than those usually typified as transaction costs for borrowers, such as:

1. Flexibility of repayment: moneylenders are an attractive source of loans because they often do not demand any specific date for repayment of the principal as long as the interest payments are serviced;
2. Mismatch of credit offered and actual loan needed;
3. Sanctions in case of non-repayment can deter credit applicants even from credit sources with low transaction costs;

The Bias of Conventional Methods

It is interesting to observe that the bias towards a ranking order in the transaction cost analysis is self-determining because transaction costs are only calculated for customers who already have entered a credit transaction. Potential applicants, not able to overcome the barriers of entry, are not included in the analysis. But how can a method highlight decision patterns, when the approach only encompasses actual borrowers, and neglects rejected applicants or those with the rational expectation to be rejected should they try to utilize a certain source?

In summary, the transaction cost approach not only fails to address important factors influencing entry into the credit market, but also reinforces this bias by the methods it employs. Low transaction costs are therefore not admission tickets to financial services (Von Pischke 1991: 11). Only if access barriers of different sorts are overcome will transaction costs play a role as a useful tool for explaining decisions of borrowers for or against certain financial intermediaries.

Comparative Analysis of Loan Components

The analysis of borrowers’ decisions has nevertheless benefitted from the introduction of transaction cost calculations. Instead of focussing on the interest rates of a loan only, other components are included as well. The following method to analyze borrowers’ decisions attempts to cover all relevant components of a loan contract. As a first step, these loan components are identified. Their relative importance to rural borrowers is then assessed in two field studies. These loan contract components are:

1. Average distance of lenders to borrowers;
2. Sanctions in case of late or non-repayment;
3. Conditions of lender for use of loans;
4. Interest rate levels;
5. Timely provision of loans;
6. Loan amounts;
7. Repayment periods;
8. Securities required;
9. Guarantor arrangements demanded by intermediaries.

This list may not be complete, but probably covers the most important decision parameters of borrowers for or against specific financial intermediaries. Obviously, the relative importance of loan contract components
may differ per location and at different points in time. Nevertheless, the list constitutes a useful starting point for a comparative analysis of formal and informal financial services from the (potential) borrowers’ point of view.

The Two Field Surveys

My own study was based on two field surveys: one in a rural area close to a modern urban environment, and another in a purely agricultural, remote area of Sri Lanka. Both sites were selected with a view to the presence of a dense network of rural banks, typical of most parts of rural Sri Lanka.

The village of Mabodale in the Gampaha district, about 50 kilometers north of the Sri Lankan capital Colombo, was selected as characteristic of a semi-urban location in the immediate vicinity of the Katunayake Free Trading Zone. Mabodale consists of 716 households. Six months were spent in this village to implement the field survey (February to July 1990). The second village, Makkaduwawe, was chosen in a purely agricultural setting in a remote location, the Northern Kurunegala district. The village consists of 204 households. Data were collected there during a three-months period from August to October 1990.

Mabodale

The village Mabodale is located in the low country wet zone. Mean annual temperatures of this zone vary between 27 and 29 degrees celsius, with a relative daytime humidity of about 70 percent. The annual rainfall of about 2500 mm peaks during April-May and October-November, and determines the two cropping seasons, Maha and Yala.

Villagers work in Colombo or in the adjacent Katunayake Free Trading Zone. Consequently, part-time farming is widespread. Cropping patterns are dominated by coconut, unirrigated paddy and fruits and vegetables that thrive in the humid tropical climate. Animal husbandry plays a minor role only.

Small industries in the village comprise two handloom weaving shops. Micro-enterprises are operated alongside a nearby through road or within the houses. Seasonal agricultural work is common.

A period of violent political conflict caused by a Singhalese guerilla movement, the Janatha Veramukti Peramuna (JVP), came to an end in 1989. Villagers were seriously affected by the prolonged period of political instability and civil unrest: loss of life was minor, but income losses were considerable (Zander 1991).

Makkaduwawe

Makkaduwawe village borders the Sri Lankan dry zone. It is situated in a remote and isolated part of the Northern Kurunegala District, with only one small town nearby.

Agriculture predominates in Makkaduwawe, where almost all heads of households are full-time farmers. Farming in the village with mean annual temperatures of 30 degrees celsius, and less than 1000 mm precipitation, relies heavily on irrigation. Rainwater is collected in catchment basins. Water shortage allows regular cultivation only in the Maha cropping season. Paddy is the predominant crop, largely for subsistence needs. The climate does not allow the cultivation of coconuts. Necessary products like coconut leaves, nuts or trunks have to be imported from the southern part of the district.

Micro-enterprises are restricted to shopkeepers, carpenters and a laundry business run by a family of the low dhobi (washermen) caste.

The village is very impoverished; 70 percent of the adults are food stamp recipients and incomes from farming are much lower than in the semi-urban village.

Farmers suffered extensively from the period of political unrest. The JVP ordered bans on farming which decreased the already small incomes to critical levels. Borrowing in this village is mainly to ensure a minimum food supply.

Survey Methodology

Two surveys were carried out, using different questionnaires. The first one was to get familiar with the economic landscape and to identify financial intermediaries and their clients. It comprised 263 adults from 97 households (13 percent) in Mobodale and 103 adults from 40 households (20 percent) in Makkaduwawe. The second survey posed specific questions on borrower-lender relationships. It included 158 persons from Mabodale and 76 from Makkaduwawe, both men and women. In addition, the extent of ROSCA-membership as a financial self-help mechanism was explored. Results are given in Table 1.

Interviews with lenders were flexible, using partly open, partly pre-structured questionnaires. Managers and officials of banks, credit cooperatives, NGOs, moneylenders, shop owners and produce buyers were
Three out of the nine components proved of minor importance to borrowers’ choice of credit sources. They are outlined in the first three of the following sections. The six other components with a major bearing on the decision for or against a financial intermediary are then investigated in the final six sections. The chapter concludes with a summary of the most important findings.

**Average Distance to Borrowers.** All credit sources in both villages are within easy reach of borrowers. Only some moneylenders in the semi-urban village are 20 kilometers or more away from the households, because they are close to the place of employment, the Katunayake Free Trading Zone. Banks were nearby because their presence was a selection criteria for the two survey areas.

**Sanctions in Case of Late or Non-Repayment.** The threat of penalties or personal harassment in case of late or non-repayment of loans also plays no major role in the choice of credit sources. Banks do not exchange information on defaulters and are generally reluctant to pursue their claims in courts. Even if they take legal action, the chances of recovering bad debts are limited. Sri Lankan statute books, a remnant of the Dutch and British colonial past, provide that weaker sections of the society are especially protected. This is one reason why banks find it difficult to enforce repayment of overdue and doubtful loans in courts.

Informal lenders have an advantage. If they are not afraid to open their books to the village administration officer (Grama Sevaka), he may settle default cases peacefully. Serious personal harassment from informal creditors demanding repayment of overdue loans hardly occurs. The threat of a possible denial of a future loan seems a sufficient incentive for high repayment rates in the informal sector.

**Conditions of Lenders for the Use of Loans.** Banks and NGOs\(^2\) generally require loan applicants to state the intended loan purpose. Exceptions are advances against the deposit of a pawn or the small instant loans from NGOs. Field officers of banks inspect the use of loan capital when large loans are involved. Certain lines of bank credit are linked with specific purposes. The most notable specialized credit line in the

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2. The term NGO is used in a wider sense and also includes the Sanasa Thrift and Credit Cooperative Societies.
Informal lenders service credit requests for whatever demand exists among borrowers. Sanderatne (1992) argues that the non-availability of consumption loans from the formal sector is a major incentive in Sri Lanka to take loans from informal sources. This could not be confirmed in interviews with borrowers. Banks do extend consumption loans, albeit on a limited scale, such as pawning loans or attamaru, friendship loans, where no securities, but only guarantors are required.

Interest Rate Levels. The favorite topic in any discussion on formal and informal lending is the rate of interest. Informal lenders are said to charge exorbitant rates, whereas cheap loans from banks are seen as a way to free the rural population from exploitation by moneylenders. Studies in Sri Lanka generally emphasize the existence of very high interest rates in the informal sector, but Fernando notes that only a relatively small proportion carries an exorbitant rate of interest (1988: 13).

Some authors consider subsidized institutional advances as an income transfer mechanism (Wickramasinghe 1987: 51). Others stress that the interest rate level reflects the risk composition of loan portfolios. The lower the interest rates the higher the probability that low risk investments are undertaken with low economic rates of return and consequently detrimental effects to the economy (Hoff and Stiglitz 1990: 239).

Data from the two surveyed villages in Table 3 show that formal lenders extend loans at rates between 15 and 34 percent per year. NGOs charge higher rates, because they do not subsidize loans. NGOs in the remote village charge the higher rates, since they had to add an extra risk premium for defaults stemming from the prolonged political unrest in this village. The interest rate structure of banks, particularly in the remote location, indicates market distortions: the spread between average deposit and lending rates is too small to operate profitably, especially in the light of higher default rates in this location.

Borrowers from informal sources face a wide range of interest rates. Loans from friends and relatives are interest-free. Traders provide loans to strengthen relationships with customers. Shopkeepers advance small amounts free of interest. The competition for customers is so strong in the small shops in both villages that shop owners are often forced into credit arrangements. The case is different with produce buyers like copra traders. They charge hidden interest in the form of lower produce prices. The interest rate differential between the two villages is due to different products being traded. Many traders-cum-lenders in the semi-urban location are produce buyers. In the remote village, no trader engages exclusively in the marketing of agricultural produce. Some shopkeepers buy rice and dried pepper from the farmers as a side line. The erratic supply and subsistence orientation of farmers in the remote location limits advances against future supply of produce.

Moneylenders charge the highest rates of interest, averaging about 160 percent if calculated on an annual basis. But such calculation distorts the picture. If the loan amount is small and repaid after only a short period, borrowers are willing to pay these rates even when having access to other, but less flexible, credit sources.

Villagers who did not borrow stated that high interest rates of bank loans would explain the popularity of other credit sources. Actual borrowers, however, judged differently.

Timely Provision of Loans. In his comparative analysis of formal and informal finance in India, Nayar (1992: 204) observes that, “The major attraction of all informal financial institutions is their speed in trans-acting business”. Sapukotana (1975: 42) who also included non-borrowing respondents in his credit survey in the Kegalle District, describes “Opinions on Borrowing from Rural Banks and Moneylenders” as follows: “The prevailing perception of loans from moneylenders was that they are easy to obtain. All other opinions in the brainstorming exercise rank far behind. Rural banks, however, are perceived to be tedious.” The performance of banks in this respect differs. Generally speaking, the lower the interest rate level, the longer the waiting time and the more demanding the requirements that have to be met. The pioneering effort of the People’s Bank, which included advances for pawned jewelry, stands out as a successful innovation in rural finance in Sri

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**Table 3: Average Interest Rates of Loans and Deposits in Percentage per Annum**

<table>
<thead>
<tr>
<th>Type of Lender</th>
<th>Semi-Urban Mabodale</th>
<th>Remote Rural Makkaduwawe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends and relatives</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Moneylenders</td>
<td>151</td>
<td>165</td>
</tr>
<tr>
<td>Traders</td>
<td>50</td>
<td>0</td>
</tr>
<tr>
<td>Bank loans</td>
<td>16</td>
<td>15</td>
</tr>
<tr>
<td>NGO loans</td>
<td>22</td>
<td>34</td>
</tr>
<tr>
<td>Bank deposits</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>NGO deposits</td>
<td>18</td>
<td>12</td>
</tr>
</tbody>
</table>
Lanka. Vidanapathirana estimates that pawning loans have become the single most important credit type offered by rural banks (1988: 3). The banks reap the profit, as pawning loans bear high interest rates, as do the customers, who have quick access to institutional advances.

Speedy advance of loans is a common feature of all informal finance systems and another crucial variable that explains the popularity of informal financial intermediaries in rural Sri Lanka.

Respondents from the wider sample, not necessarily themselves indebted, did not mention untimely disbursement or lengthy credit procedures as a major problem of rural borrowers. But asked why many people use sources other than banks, 30 percent in the semi-urban village and 20 percent in the remote location explained this with delayed credit disbursals and lengthy application procedures for institutional loans.

**The Size of Loans.** The volume of a loan plays an important role in the overall success of a business investment or a consumption loan. The analysis of loan amounts in the Sri Lankan context reveals some interesting insights into the lending philosophy of informal and formal financial intermediaries.

Table 4 demonstrates that moneylenders provide the largest average loan volume of all informal sources. High standard deviation values point to highly variable loan amounts. Loans taken from friends and relatives are the second most important informal source of loans. In both villages the average loan size from this source comes to about two thirds of that of moneylenders. Traders give the smallest loans, especially village shop owners. Shop owners often use credit ceilings. Small farmers, occasional customers, and customers without safe income prospects get smaller advances. Customers with regular incomes, in particular salaried people, get larger loans and are expected to settle outstanding claims at pay day. Farmers are granted longer repayment periods, until they have harvested their crops.

No other formal or informal loan source in the survey villages extends credits of the size of Sri Lankan banks. In the remote village, banks offer average amounts almost four times higher than those of NGOs and moneylenders. Banks apparently have a strong competitive advantage in this respect. NGOs, like the Sanasa credit cooperatives, set fairly limited credit ceilings which vary from group to group. Consequently, bank borrowers do not complain receiving only part of the amount demanded, as is the case with loans from informal intermediaries.

Data from the semi-urban village illustrate an identical ranking of credit sources, but on a higher overall transaction level. The higher loan amounts are mainly attributable to higher incomes and therefore better repayment potential in agricultural and non-agricultural professions. Further, the booming and dynamic economic environment promises higher returns on invested capital.

**Repayment Periods.** Friends and relatives, moneylenders, produce buyers and shop owners provide the majority of their loans without fixing a repayment date. Generally, when a loan is advanced free of interest, the understanding between creditor and debtor is that the borrower should repay “as soon as he can”. Moneylenders in the remote village do not insist on firm repayment schedules as long as the interest is paid regularly. This practice was also common in the semi-urban location. However, 17 percent of the loans granted by moneylenders in this location had fixed dates.

Banks and NGOs have clearly defined loan maturities. They do, however, readjust agreed repayment schedules if events beyond the control of borrowers affect debt servicing. Average repayment periods of bank loans in Kurunegala and Gampaha are 44 months and 38 months respectively. NGOs, who distribute much smaller loan amounts, operate with shorter repayment periods: seven months in the remote village and 15 months in the semi-urban village.

Borrowers from banks and NGOs, asked whether repayment periods should be different than as stipulated in the loan contract, approve of these repayment schedules. Some respondents even suggested a shorter repayment period.

The views of actual borrowers on repayment periods of formal lenders somewhat differ from those of respondents in the total sample. In the remote location, seven percent of the villagers thought that repayment periods of banks are too short, against only three percent in the semi-urban location.

**Securities Required by Financial Intermediaries.** Granting credit against collateral that a debtor will forfeit in case of non-repayment is standard procedure of banks. Although some scholars argue in favor of collateral

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<th>remote Rural Makkaduwawe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends and relatives</td>
<td>4,324</td>
<td>0,952</td>
</tr>
<tr>
<td>Moneylenders</td>
<td>6,042</td>
<td>1,300</td>
</tr>
<tr>
<td>Traders</td>
<td>2,866</td>
<td>0,376</td>
</tr>
<tr>
<td>Banks</td>
<td>7,707</td>
<td>4,711</td>
</tr>
<tr>
<td>NGOs</td>
<td>4,916</td>
<td>1,188</td>
</tr>
</tbody>
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substitutes, down-to-earth bankers remain disinclined to lend without tangible securities. McLeod echoes their concerns:

The idea of playing with someone else's money is an appealing one: if the borrower's investment project is successful he gains, but if it fails, someone else loses. By requiring security, the lender encourages the borrower in the most direct way to carefully judge the likely success of his proposed investment (McLeod 1992: 251).

However, banks operating in rural areas of low-income countries are often state-owned and have the specific mandate to extend loans to the rural poor. The People's Bank and its network of Cooperative Rural Banks in Sri Lanka are a typical example. Many poor applicants do not dispose of land titles or similar securities and are therefore in danger of being excluded from the institutional credit market. From the opinions expressed in the wider sample of villagers, it becomes clear that the lack of suitable collateral constitutes indeed a major barrier for would-be borrowers. The inability to find securities was cited by 20 percent of the respondents as a major problem and a reason for resorting to lenders other than banks.

Informal lenders ask for securities to a limited extent only. Friends and relatives provide loans without demanding any securities or guarantors. Traders, i.e. village shopkeepers and produce buyers, also operate without tangible securities, although produce buyers lay claim on the future crop. The personal relationship between borrower and lender is seen as sufficient guarantee for repayment of the loan.

But moneylenders in the two villages do demand securities for loans extended, although the percentage that does is far below the figures in the nationwide survey of credit and indebtedness of 1976 when a reported 47 percent of the moneylenders secured their loans with some kind of tangible collateral (Central Bank of Ceylon 1981). In the remote village, the percentage is 25, as against only 16 percent of the moneylenders in the semi-urban village. The items range from bicycles to tape recorders, registration papers for motorcycles and cars to jewelry. From interviews with moneylenders it appears that securities increase the repayment morale of credit customers. The most successful moneylenders in both survey areas were the ones with variable and sometimes sophisticated security arrangements.

Banks resort to a wide mix of security and guarantee arrangements. Provisions differ according to the loan scheme and even for the same type of loan, different branches of the same bank asking for different securities, relying on personal judgement of bank staff rather than on rigid rules.

NGOs operate without collateral arrangements. The Sanasa credit cooperatives outperform other NGOs in terms of business outreach and repayment rates in both villages. Primary credit cooperatives advance loans largely from member deposits. Loans are granted individually. Apart from small sized instant loans, credits are advanced only when two group members guarantee repayment of a credit applicant with their savings deposits.

Other NGOs operate similarly with guarantee arrangements as collateral substitutes. Depending on the level of cohesion in the group, the repayment results differ. Wherever a group is on the verge of disintegration, the guarantor scheme no longer ensures the recovery of outstanding loans.

Guarantor Arrangements Required by Financial Intermediaries. Villagers who were asked why they preferred informal credit sources to banks, cited the difficulty of finding guarantors acceptable to banks, as a central issue (30 percent of the respondents in the remote village and 25 percent in the semi-urban village).

The two guarantors required have to be tax payers or must be in a position to submit an income certificate stating high level public sector employment. It is almost impossible to find such guarantors in Makkaduwawe, the remote village. And even if so, they might not be willing to act as guarantors, particularly for the poor. Against this background, it is surprising to learn from banks how rarely repayment is actually legally enforced from guarantors in case of default. Except for larger loans, banks are reluctant to bear the costs of enforcing guarantor repayments in courts.

The village study underscored the problem of guarantee arrangements. This factor, not considered in a transaction cost approach, is of crucial importance in loan contracts in the two villages. About 55 percent of bank loans in both villages require guarantee arrangements. Loans from credit cooperatives are also mostly secured by guarantors. In the semi-urban village, a sizeable portion of loans from NGOs are small sized instant loans without requirements for third party guarantors.

Conclusions

The comparative analysis of nine loan components of formal and informal financial contracts from the borrower's point of view yields the following results: the physical distance between households and financial intermediaries does not influence borrowers' decisions for or against certain lenders. Possible sanctions in case of non-repayment also do not influence borrowers' preferences. Collateral requirements and, above all, guarantor arrangements are seen as the main barrier to entry into the institutional rural credit market in both survey villages.

No single lender or segment of the two rural financial markets scores well on all nine loan contract compo-
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nents. Banks provide high average loan amounts at moderate rates of interest, with customer-friendly maturities of their loans. They are an attractive credit source for those borrowers who have access to them. Friends and relatives are the definite low cost option for small loan amounts, whereas moneylenders disburse loans quickly but at high interest rates and sometimes only against the deposit of collateral.

NGOs, in particular the Sanasa credit cooperatives, serve their customers well on many counts, but their limits to loan amounts independent of business requirements and fairly high rates of interest compared to other options, limit their attractiveness in the eyes of borrowers.

Future research on the significance of each of these aspects in loan contracts may show the merits of this approach compared to that of the transaction cost analysis as a tool for understanding borrower’s preferences of financial intermediaries.

References

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