Risk Management and clients’ loyalty in Microfinance Organisations: Patronage, Brokerage and resistance
Case Study in South India

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March 2008

- Patronage and brokerage
- The Indian microfinance landscape
- Patronage from the MFI’s side
- Patronage from the client’s side
1. Patronage and brokerage

2. The microfinance landscape in South-India: a constant quest for territorial control

- The supply: standardized and competitive
- Competition between MFIs: market shares but also reputation and mass events
3. Patronage from the MFI’s side

"Good" groups: financial rigor, but also devotion, availability and gratitude

A « give and take » policy: bargaining, compromises and exits
Graph 1. External loans and internal loans
IRCDS - Cumulative amounts from 2003 to 2006

4. Borrowers’ expectations: quick and plentiful financing, but also support and protection

- Financial intermediation: thailivars as «cash reserve» or “small banks”
- Health advisers and health facilitators: “they understand our pain”
- Bureaucratic and administrative hassles: thailivars as facilitators
- Bias and arbitrariness of the legal system: thailivars as protectors
- Privacy and intimacy: thailivars as confidents