Knar KHACHATRYAN  
SKEMA Business School and University of Nice Sophia-Antipolis

**Compulsory versus Voluntary Savings as Incentive Mechanism in Microlending Contracts**

Paper co-authored with Olivier Bruno (University of Nice Sophia-Antipolis, SKEMA Business School and OFCE-DRIC)

**Friday, December 9th, 2011**  
From 3.00pm to 4.30pm

At the “Salle des Conseils” (ground floor)  
of the Warocqué School of Business and Economics  
Université de Mons - UMONS

**Abstract**

This paper investigates the incentive mechanism of individual microlending contracts focusing particularly on microsavings. We built a model to show the role of compulsory and voluntary microsavings in addressing problems of information asymmetries. We show that voluntary savings can serve as a complementary tool in repayment enforcement at the same time inducing borrowers to reveal abilities of their projects.

**Address:**
Centre de Recherche Warocqué  
Faculté Warocqué d’Économie et de Gestion  
Université de Mons (UMONS)  
Place Warocqué 17  
7000 Mons

**Contact:**
Didier Toussaint  
+ 32 (0) 2.650.66.01  
+ 32 (0) 65.37.32.79  
cermi@ulb.ac.be  
cermi@umons.ac.be

Please confirm your presence by December 8th, 2011.