

World Wide Web Homepage on
INFORMAL CREDIT

Walking along the street of any low-income settlement, one is struck by the apparent contrast of dwelling and habitat. On one side of the street is a dilapidated, single story, windowless house of tin sheets and open drains; across the street is a fine two-storied brick and concrete house with glass windows, paneled doors, and painted walls. While there are many reasons for such contrasts even among the poor, one variable that repeatedly surfaces as a common denominator is the accessibility to different sources and types of credit.

Banks and other financial institutions have systematically kept low-income households outside their credit delivery networks, forcing them to resort to informal and non-conventional systems of mobilizing credit. The positive features of such loans are only now being understood:

- a. Loans are small in size since money is acquired only for a *part* of a larger activity. These small amounts contrast starkly with loans from banks, which tends to be large, and for lump sum investments.
- b. Loans are usually made for very short periods. Borrowers prefer to repay the loans quickly to avoid long-term commitments in repayments. This also reflects the insecurity of borrowers' jobs and income.
- c. Loans are unsecured, with no collateral or guarantees. Lenders rely on personal information and close proximity links to "keep an eye" on borrowers' expenditures and ensure repayment. Since services are localized, and only well-known borrowers serviced, the rate of repayment is also very high.

Such a deeper understanding of the quality and quantity of credit that low-income households prefer has highlighted the viability of microfinance schemes to satisfy their financial needs.

The Informal Credit Homepage was developed on the World Wide Web as a repository of information on informal credit markets and non-conventional financial systems. Microcredit mechanisms, community participation in credit mobilization and enviro-economic development also find a place in it. It aims to facilitate debate, discussion and dissemination among practitioners, NGOs, community groups, and other stakeholders.

Geographically, both urban and rural areas of developing countries in Asia, Africa, Latin America and Central and Eastern Europe are covered. The main topical divisions include:

- o **Bibliographies:** Bibliographies on various relevant topics, including links to other bibliographies on the internet. New publications with reviews are listed in a separate section.
- o **Documents:** Short articles, databases and documents related to informal credit markets and microcredit. Major subheadings under the Documents section are:
 - Inspiring ideas in microfinance
 - Credit access for women
 - Design of Credit policies and programmes
 - Finance for Microenterprises
- o **Case Studies:** Case studies and analyses of community groups and their credit activity, successful examples of initiatives in microcredit, including extensive coverage of Bangladesh's Grameen Bank and India's SEWA Bank.
- o **Libraries:** Links to libraries and resource centres which have collections on social, economic and developmental literature.
- o **Resources on the Internet:** Resources and indices on social and economic development, electronic books, co-ops, banks, and other links.
- o **Newsgroups and Mailing Lists:** Newsgroups and mailing lists on the internet that cover the topics of economic and social development.

Four smaller sections deal with inspiring ideas in microcredit, credit access for women, designing credit policies and programmes, and finance for microenterprises. An **NGO Café** has been set up to



discuss issues related to non-governmental organizations working in community development and microcredit.

Country Profiles on informal credit and microfinance are also presented in the Homepage. An **Info**

Forum provides information on interactive activities of the Homepage, such as networks in microfinance, summaries of research in microcredit currently underway or completed, and 'Justforkicks' - an A-Z list of microcredit programmes. Information on **Projects** currently underway can also be accessed.

The target audience is kept broad, from academics and researchers to practitioners in the government, donor agencies, NGOs, and community organizations. This broad audience base is necessary due to the interdisciplinary nature of the contents itself! The information contained in the homepage is essentially of two types, those within the homepage itself, and those linked to other internet sites having similar contents. The information is gathered by many ways:

- o Information within the homepage is added as research progresses, and new ideas/literature reviews are generated. Field notes and case studies/evaluations are also added.
- o Contributions are received from individuals who would like to see their write-ups published on the web.
- o Email messages on relevant mailing lists - which may be of lasting interest to users outside the list - are used, subject to approval of the author.

- o Links to interesting and related homepages are made by searching the internet. This process of linking to other homepages also ensures that duplication and overlap is also avoided.

In order to be of greater relevance to a global audience, a Spanish version (for users in Central and South America) and a French version (for users in Francophone Africa) has been made available. Recently, a Japanese version was also added.

In order to keep the information current and constantly updated, several plans have been slated for the future:

- o To continue to add, update, and maintain information on the homepage. Database of researchers/experts, addresses of organizations, NGOs, and universities are some of the features planned.
- o To set up an Advisory Committee that would guide the development of the Homepage and increase its utility and outreach online and offline.
- o To initiate and utilize the information in the homepage for training and awareness generation, particularly in low-income countries.
- o To develop the idea of a "cybercourse" on microbanking (already under development).
- o To make the Homepage *Lynx* friendly to facilitate users in low-income countries, and simplifying graphics to reduce download time.
- o To disseminate information from the homepage to users who do *not* have access to the internet.

Frequent users can check the "What's New on the ICM Homepage?" to see new items that have been added every month. Detailed background information can be found within the "About the Homepage" button, in the form of a Press Kit. Contributions to various sections of the Homepage will always be welcomed.

Web address:
<http://www.soc.titech.ac.jp/icm/>

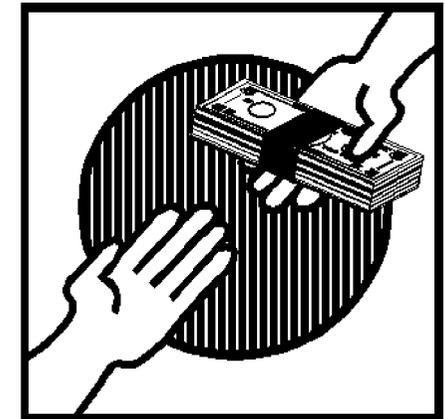
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The Informal Credit Homepage

*designated as the
 Virtual Library on Microcredit*



Screenshot of the Informal Credit Homepage

<http://www.soc.titech.ac.jp/icm/>
