

Mersland, Roy

**Article — Accepted Manuscript (Postprint)**

## Editorial: Research trends in microfinance from the Third European Research Conference on Microfinance

Enterprise Development & Microfinance

*Suggested Citation:* Mersland, Roy (2013) : Editorial: Research trends in microfinance from the Third European Research Conference on Microfinance, Enterprise Development & Microfinance, ISSN 1755-1986, Practical Action Publishing, Rugby, United Kingdom, Vol. 24, Iss. 4, pp. 273-274, <https://doi.org/10.3362/1755-1986.2013.025>

This Version is available at:

<https://hdl.handle.net/10419/328367>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

This paper has been published as: Mersland, R. (2013), "Editorial: Research trends in Microfinance from the Third European Research Conference on Microfinance." *Enterprise Development and Microfinance*. Vol. 24(4), pp. 273-274.  
<http://dx.doi.org/10.3362/1755-1986.2013.025>  
ORCID (Roy Mersland): 0000-0002-6683-2737

Roy Mersland is associate professor at the Business School at University of Agder in Norway. He has extensive management, consulting and research experience from across the globe. He is the director of the Norwegian Centre for Microfinance Research and he was the host of the 3<sup>rd</sup> European Research Conference on Microfinance which took place 10-12 June 2013 in Kristiansand, Norway.

**Guest Editorial: Research trends in Microfinance from the Third European Research Conference on Microfinance**

What can the world of academic research teach microfinance and enterprise development practitioners? The opportunity to sample this research was presented by the Norwegian Centre for Microfinance Research at the University of Agder, who hosted the Third European Research Conference on Microfinance in June this year. Through 13 plenary speakers and 170 research papers presented in 46 parallel sessions the conference offered a wide range of microfinance topics. With around 250 participants the conference was probably the largest ever academic microfinance conference. Participants came from more than 35 countries from across the globe including a large number from Latin America, Africa and Asia.

In the call for papers the many dilemmas facing the industry were highlighted and the importance of studying the industry from many angles and through different academic "lenses". As a result the papers presented at the conference represented a diverse set of disciplines, backgrounds and methodological approaches and effectively illustrated the diversity of research currently being undertaken within the microfinance arena.

As the host of the conference I've been asked whether I see a trend in microfinance research. Indeed I do. Most notably is the boost in microfinance research in general. Nine years ago I did my first search in the "EBSCO Host Research Databases" searching for key-words "microfinance" or "microcredit". I found less than one hundred peer reviewed articles (Mersland, 2009). I remember I also did the same search at the Social

Science Research Network ([www.ssrn.com](http://www.ssrn.com)) and found less than 150 articles. When I do the same searches today I get more than 2000 and 1000 articles in EBSCO and SSRN respectively. The high number of participants at the conference in June should therefore come as no surprise. Producing high-quality research requires meeting places where researchers can build their networks and stimulate and challenge each other. This was also highlighted at the conference by Christoph Pausch, the head of the European Microfinance Platform, the conference's main sponsor. He also stressed that the way forward for the industry is through research and the sharing and dissemination of knowledge with microfinance practitioners. After all, an important role of research is to highlight good practice and to warn of bad practice and give a steer to the whole microfinance industry.

Another notable trend is a broader scope in microfinance research. Nine years ago I found that five of six articles were in development journals and less than one in ten articles were found in typical business school journals like finance or management journals. Today there is a much larger research focus on "the business of microfinance". At the conference around 60-70 of the 170 papers could be classified as "microfinance business research" and only slightly more, around 70-80 papers, belonged in the "development/impact" group. In particular researchers are now interested in what drives the social and financial performance of MFIs. My colleague Øystein Strøm and I are therefore currently editing a book composed of performance papers presented at the conference. Furthermore, in this issue of EDM we present a paper by Khafagy on what is reasonably priced microcredit. This paper is a typical example of a traditional and still unsolved research dilemma: "How can MFIs assure positive impact for the customers while at the same time being financially sustainable".

I want to mention four other interesting trends I observed at the conference. First; academics are now picking up interest in "microinsurance" and 11 papers at the conference focused on this, including the one by Matul et al. in this issue of EDM. Considering the huge demand for microinsurance but the still low uptake of voluntary insurance policies it is time for researchers to march up to undertake microinsurance research.

Second; around 15 papers at the conference dealt with entrepreneurship. This high number is in contrast to the very few entrepreneurship articles I identified in an

unpublished study I did in 2005. Originally the idea of microfinance was to improve the outcome of entrepreneurial activities through the infusion of capital. Now, when the impact of microfinance proves to be difficult to disentangle it may be a smart move to once more look into entrepreneurship theories to better understand microfinance customers.

Third; few papers at the conference dealt with new technologies like mobile phones, crowdfunding, branchless banking, and so on. This is surprising given that new technologies will shape the future of the microfinance industry and hopefully more research efforts will be directed at this important area. In this issue of *EDM* we include a paper by Sanz and Lima on the uptake of mobile financial service in the Middle East and North Africa.

Fourth; mirroring trends in social science research, microfinance research is becoming methodologically more “heavy”. In my unpublished study from 2005 mentioned earlier I found that nearly half of microfinance papers were descriptive, without a clear theoretical foundation and/or empirical research method. Now, thanks to MIXMARKET and other data sources researchers use advanced time series methodologies and increasingly experimental methods like for instance Random Control Trials (RCTs) are being applied. An interesting paper we present in this issue of *EDM* combines the trends of an entrepreneurship focus with a new research methodology: Martinez et al. explain how GPS technology was used to gather data when studying the effects of clustering of small businesses.

In my own paper in this edition I try to look forward. Viewed less favourably by the public than previously, MFIs nevertheless have many business opportunities before them I believe. Only future research will tell whether I am right. A good place to question or support my view will be at the next European Conference on Microfinance Research, to be held in Switzerland in 2015 with Bernd Balkenhol at the University of Geneva as the conference host.

Roy Mersland, Guest Editor

### **Reference**

Mersland, R. (2009), “Corporate Governance and Ownership in Microfinance Organizations,” Doctoral Dissertations at the University of Agder 14. Supervisor: Professor Trond Randøy, University of Agder, Norway.

