A STUDY ON THE ROLE OF MICROFINANCE AND ITS CONTRIBUTION ON WELFARE OF HOUSEHOLDS IN THE RURAL DEVELOPMENT PROGRAM OF MYANMAR

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論文題名　：A STUDY ON THE ROLE OF MICROFINANCE AND ITS CONTRIBUTION ON WELFARE OF HOUSEHOLDS IN THE RURAL DEVELOPMENT PROGRAM OF MYANMAR
　　　　　　ミャンマーの農村開発プログラムにおけるマイクロファイナンスの家計福祉に及ぼす影響と役割に関する研究

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論 文 内 容 の 要 旨

　　　In Myanmar, despite recent economic growth at the national level, poverty remains one of the major challenges as majority of the poor in the country lives in the rural areas. According to ADB (2013), about 27% of the country's population based on 2010 data is below poverty line, while about 47% of the country's population based on 2011 UNDP's Human Development Index lives on less than \$1.25 (PPP) per day. The formal financial institutions in Myanmar are under the control of the central bank and borrowers need to have assets or properties to access loan from the bank. This however, left most poor households in the country to depend on microfinance institutions or private lenders to secure needed credit to enhance their welfare. Because of the difficulty in obtaining credit from the formal financial institution in Myanmar, a number of International Non-Governmental Organizations since 1997 have introduced various microfinance programs designed to empowered poor households with provision of microcredit in the country.

　　　There are two main objectives in my research; to analyze the impact of PACT microfinance program on households' livelihood and their income of rural people in Dry Zone Area and to evaluate the effects of participating in International Non-Governmental Organizations' microfinance program (World Vision Myanmar, GRET, IDE Proximity Design) and socioeconomic determinants that influence on welfare of households from six different townships.

　　　To achieve the research objectives, both primary and secondary data were collected. For primary data, survey were conducted in six villages of Kyaukpadaung Township implementing by PACT microfinance program by using Logistic Regression Model and Cobb Douglas (Functional form) and six different townships namely Falam, Hakha, Bogalay, Gyune, Mandalay, and Yangon under the INGOs microfinance program purposely selected from each of the following regions Chin state, Delta-zone, and Dry-zone by using Endogenous Switching Regression Model and Censoring Regression Model, thus making a total of 593 respondents [413 (participants) and 180 (non-participants)]. The descriptive results of the estimated on the determinants of probability of participating in microfinance program show that the probability of participating in microfinance program increases among female headed households, educated

household head, household headed by married couples, household with higher number of crops, and households with higher wealth (VCD taken as indicator of wealth in the study). Also, we find evidence that the probability decreases among households located in Falam in reference to households in Mandalay (the reference household) in the study, while other dummies representing the remaining townships were significantly not different from zero. Nevertheless, non-significant of township dummies suggest that probability of participating in the microfinance program is indifferent across the households in the townships covered in the sample.

Thereafter, we examine the impacts of microfinance program on household welfare, two indicators of household welfare were considered, namely household per capita expenditure and per capita income. The results show that the covariance term of participation in the microfinance program is significantly different from zero. This implies that bias would have resulted in the welfare function had been it was estimated without correcting for selection bias associated with program participation in the study. Other results show that the probability of participating in microfinance program is higher among female-headed households, educated household head, married households, among household with higher number of crops and higher asset (represented by the number of video compact disc players) in the study. Also, the study employed average treatment effect on the treated to investigate, whether participants in microfinance program have higher per capita income or per capita expenditure than they would have earned if they did not participate in the program. In this regard, the result of the average treatment effect on the treated shows that per-capita income and per-capita expenditure for the participants are higher than they would have obtained if they did not participate in the program.

The implications of this study are that to achieve the millennium Development Goals in Myanmar, it is important for government to consider the role of microfinance schemes, as it is capable of reaching the poor who are left out of formal financial system with expected positive effect on their welfare. In addition, we suggest that all organizations operating various microfinance programs in Myanmar should extend their services to other parts of the country as a way of reaching more households.