

The basic idea of this research is to analyze the socio-economic impact of micro credit on clients and to include such impact in the measure of the success or failure of micro credit programs. The performance of micro credit programs has generally been judged by program based variables such as loan repayment rate, number of clients served, size of loans disbursed, etc. A high repayment rate or a large client outreach is generally taken to indicate that a program is successful, while the specific impact of the loans on the borrower's welfare is often not taken into consideration. The consequence is that a program might be regarded as successful if the repayment rate is high, even when such loans have not really had any positive impact on the client, who might actually be paying of the old loan by borrowing a new loan. Thus my thesis seeks to develop a methodology for including client-based variables (welfare enhancement, social economic impact etc), to the programmatic variables (repayment rates, number and size of loans etc), in the performance analysis of micro credit programs. Specifically the developed methodology would be adopted to empirically evaluate the performance of selected micro credit programs in Canada.