



Trip Report: Microfinance in Theory and Practice

Philippines: July 19 – August 4, 2005
By Dean Karlan

Objectives:

1. Oversee continued pilot of credit scoring experiment with First Macro Bank
2. Work with First Macro Bank to design new field experiments on collections efforts.
3. Work with Green Bank of Caraga on field experiment on information asymmetries in health insurance product offering
4. Initiative data collection for credit scoring experiment with Green Bank of Caraga
5. Teach workshop at the Asian Development Bank on randomized control program evaluation.
6. Present findings from BASIS “project 1” to the Asian Development Bank.

Summary of Activities

1. Met with Robert Barnes and Tess Espenilla at USAID on July 21st. Discussed purpose and progress of projects.
2. First Macro Bank
 - a. We continued to meet with First Macro and oversee the progress of the pilot. We agreed to continue the pilot further, and to continue examining the best areas for expansion of the credit scoring.
3. Green Bank of Caraga
 - a. We continued the experiment on micro-insurance with Green Bank of Caraga. The pilot in Butuan is complete, and we began a second pilot in Ampayon where we are testing higher (rather than just lower) premium rates.
 - b. We began data collection of prior credit records in order to develop a credit scoring system.
 - c. We began data collection of remittance information in order to explore offering savings and/or loan remittance-linked products in the Fall.
4. Asian Development Bank
 - a. Presented a seminar at the Asian Development Bank both for their research and operations staff on the information asymmetries project from South Africa (“Observing Unobservables: Identifying Information Asymmetries with a Consumer Credit Field Experiment”)
 - b. Taught a 4 lectures at a one-day workshop for Asian Development Bank operations staff on randomized control program evaluation.

Suggestions and Recommendations for Follow-up

First Macro Bank: Jonathan Bauchet continues to work with First Macro Bank and will remain in the Philippines until the end of August. Zhao Ma is working with First Macro Bank on the collection effort experiment. Tomoko Harigaya was in the Philippines as well to continue working with the Green Bank of Caraga. Melissa Scudo will be in the Philippines for ten months to work with Green Bank of Caraga on the various field experiments.

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Posted 10/26/2005

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