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Is Microcredit now giving rise to Loan Sharks?

Nobel Laureate Muhammad Yunus is scathing of for-profit microfinance in [a recent New York Times op-ed](#).

I never imagined that one day microcredit would give rise to its own breed of loan sharks.

But it has.

He calls out in particular 2 banks that we have worked with on project evaluations, SKS in India and Compartamos in Mexico. My instinct would be to remain agnostic on this one until the data comes in. There are good arguments on both sides of the debate. The best way to settle it is with systematic data.

The evaluation summary for SKS is [here](#) and for Compartamos [here](#) and [here](#).

HT: Lauri Ericson

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