

DISCRIMINATION AGAINST PERSONS WITH DISABILITIES FOR GETTING ACCESS TO MICROCREDIT: EVIDENCE FROM LITERATURE

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Abstract

The main purpose of this paper is to explore research evidence in numerous literature on many dimensions of microcredit lending discrimination against disabled people. Existing literature proved with sufficient statistical evidence that disabled people face discrimination for getting access to microfinance lending. Disabled people face 'taste based discrimination' and 'statistical discrimination'. Others argue that discrimination could be 'structural'. Microfinance institutions (MFIs) staff is a source of discrimination that restricts disabled people to get access to microcredit. Microfinance institutions perceive disabled people as risky segment which exhibit clear discrimination. Disabled people and their family members with disabilities have very limited access to the leading lending sources simply because of discrimination and stigma. There is no doubt that even if they get access, they receive lower amount of loan and also harder conditions such as higher interest rate. Significant reduction of discrimination in microcredit market requires systematic institutional reforms, changing mindset of the employees and most importantly, reforms should be effectively integrated with daily microcredit operation. These findings also suggest that microcredit regulators should put more efforts to identify the areas of discrimination by microcredit organizations those are not well covered by the existing fair lending enforcement system.