

Editorial: Introducing changes to *EDM*

WELCOME TO 2013! I am very pleased to be letting you know that this year we plan a number of exciting changes for the journal that will make it both more content rich and more widely available. These will be phased in over the course of the year and we look forward to your feedback.

We are going to publish more non-theme issues – up to two a year – allowing for the acceptance of many excellent papers that we receive throughout the year across a range of topics. We continue to encourage authors to submit high-quality research that reflects on the policy, practice, and impact of enterprise development and microfinance programmes. We are also planning to feature more guest editors for themed issues as well as featuring the best papers from upcoming conferences. Monique Cohen will guest edit our September issue on Financial Literacy and we plan to select papers from the CERMi (Centre for European Research into Microfinance) conference for December's edition.

The book reviews section and the Webwatch column will alternate editions and be longer, allowing coverage of more items – the March and September issues will typically include three book reviews while Webwatch will appear in June and December. Crossfire will continue as usual (always a favourite with our readers!), and the editorial will become more topical, less focused on the papers in the journal, and somewhat longer. Finally, we will no longer have callout quotes in the outside borders allowing for wider columns and an increased number of words per page.

The way you can access *EDM* online will be enhanced by a new 'online first' publication of papers. This will enable authors and readers to view articles soon after they are accepted for publication and before they are compiled in a quarterly issue – enabling rapid publication of important research. Finally, we are bringing in an online submissions system, which will help authors to upload their articles and the associated information to our submissions website as smoothly and easily as possible.

This quarterly issue is a non-themed edition which brings forward some interesting ideas and discussions. Our Crossfire begins with a debate between Paul Rippey and Hari Subhash on CSR. Paul argues that CSR is 'greenwashing' while Hari takes the view that corporations can be socially responsible and we must strive for that end. Although I am of the same generation as Paul, and probably more cynical, the idealism of Hari is inspiring, and I recommend a read of this thought-provoking debate.

Barca, Hurrell, MacAuslan, Visram, and Willis delve into a review of cash transfers in Kenya. They thankfully do not reopen the debate on whether or not cash transfers are the right way to go, but rather focus on how the choice of payment system affects the costs and barriers faced by those receiving cash as well as the costs and risks of

Linda Jones (psdjones@gmail.com) is an international consultant specializing in inclusive economic development.

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successful programme implementation. They propose a theoretical framework for evaluating payment systems and then apply it to three different payment systems: payment to recipients' mobile phones that can be redeemed at phone agents; payment through 'smartcards' that can be received from banking agents using fingerprint technology for identification; and payment through post offices. The authors provide both qualitative and quantitative evidence to assess challenges in implementing the three systems, difficulties recipients face in using them, and the effects these systems have on the impact of cash transfer programmes.

Benjamin presents a novel approach to assessing risk in agriculture by exploring the ability of certified environmental services (i.e. carbon credits) in rural sub-Saharan Africa to provide adequate signalling for project success. This builds on his premise that the identification of creditworthy clients in the area of agriculture in developing countries is difficult and new approaches are needed. Benjamin argues that the rural poor usually portray their farming activities as successful, even though this may not be the case, and this gives rise to issues of adverse selection and loan default. Interestingly, the author applies the standard game theory approach to adverse selection in developing countries in connection with certified environmental services.

Malôa also examines risk assessment from a completely different perspective – and dares to suggest that 'intuitive' assessments may be best in the small business sector. He explores how microfinance banks in Mozambique appraise risks in lending to the volatile market of street vendors. He proposes that when one operates in small business markets, the knowledge of the market is even more useful than technical skills in appraising risk, and that intuitive assessments may deliver better results than a simple quantitative method. This means that a good team of loan officers, managers, and auditors is necessary to create wealth portfolios, enabling the process of risk management that starts from the first contact with the client through business and household evaluation to be fast and accurate.

Mohan, Potnis, and Mattoo revisit the complicated case of over-indebtedness in 13 states in India including Andhra Pradesh (AP), bringing forward a new approach and new evidence. They claim that longitudinal panel studies that track multiple borrowing take time and are costly. Rather, the authors present results from a single household survey that tracked the loan history of the four most recent loans of each household for 1,433 women borrowers across regions. Their analysis shows significant differences by region and age – as well as turning up more information on the crisis in AP. As a result, they suggest that microfinance institutions should not use a one-size-fits-all model for designing products, including the setting of interest rates, but should tailor products to improve financial management and reduce over-indebtedness.

Wishing everyone all the best for 2013 – and stay tuned for the proposed changes to *EDM* this year.

Linda Jones, PhD