

Editorial

Linda Jones

Exciting times for *Enterprise Development and Microfinance (EDM)* journal! Over the past two years, *EDM* has transitioned to a completely online publication and, as of January 2022, will be Open Source.

This has prompted many discussions at the journal around a refocusing of our mission and approach, more thought-provoking content (e.g. debates, letters to the editor, featured articles), online events, engagement with relevant networks such as the BEAM and ANDE, an improved submission and review system, possible renaming, and more.

EDM is a niche journal at the nexus of research and practice, engaging academics, research networks, policy makers and development practitioners on the latest in inclusive finance, business development and market systems with a strong emphasis on poverty outreach and inclusion.

Along with Practical Action Publishing staff, the journal is published by volunteers – from the Editor to the Advisory Board and its Executive Committee, guest editors, authors, and reviewers. Our Advisory Board has recently welcomed four new members (replacing those who have left due to attrition).

Rahma Adam, Social Inclusion & Market Scientist, WorldFish, Kenya East and Southern Africa Regional. Rahma has demonstrated experience in the research industry and international development sector, skilled in agriculture and food security, gender mainstreaming and analysis, qualitative and quantitative research methodologies, data and policy analysis, the political economy of Sub-Saharan Africa and public speaking. Rahma is a strong community and social services professional with a PhD from Pennsylvania State University and a Master's in Public Policy from Harvard Kennedy School (Harvard University).

James Peprah, Associate Professor of Economics, University of Cape Coast, Ghana. With a specialization in development finance and enterprise development, James has published papers in the areas of microfinance, household poverty reduction, rural agricultural finance, entrepreneurship finance, and mobile money and financial inclusion. He is also a microfinance practitioner and manages Ghana's PEP Micro-Credit Enterprise and the Agogo Community Credit Union, is Chair of the University of Cape Coast Common Fund, and serves on a number of boards.

Francisca Indarsiani, independent consultant, Indonesia. Francisca has expertise in developing and managing social/economic programmes and projects funded by international institutions, such as DFAT Australia, USAID, the EU, and Global Affairs Canada. Her skills and knowledge include sustainable economic growth, private sector development, SMEs innovation, public policy analysis, gender equality and women's economic empowerment, and capacity building. Francisca has a PhD in Economic Sociology from Universitas Indonesia and a Master's in Public Policy from the National University of Singapore.

Mike Bowles, Global Advisor, Work and Enterprise, Aga Khan Foundation (AKF). Mike is a specialist in economic inclusion in Central and South Asia, East Africa and MENA

regions with expertise in digital transformation, small business growth, impact investing, access to finance, sustainable supply chains, and youth employability. Mike co-leads AKF's global Future of Work initiative, coordinates AKF's Central Asia Poverty initiative, is a mentor in AKF's new global Women's Leadership Program and sits on the Board of Accelerate Prosperity – a start-up and SGB accelerator and venture fund.

Two notable special issues in the coming year, guest edited by two of our Advisory Board members, will be March 2022 focusing on inclusive market systems development (Dan Norell, EconDev International) and September 2022 with articles on food loss and waste (Ben Bennet, Natural Resources Institute, University of Greenwich).

We hope you will feel free to reach out to us, to contribute your perspectives and ideas, and to help ensure the journal remains relevant and a 'go-to' for articles on economic inclusion.

This issue, the journal includes five articles: three that examine various impacts of regulation on MFIs across different contexts and two case studies on savings and credit cooperatives (SACCOs) in Tanzania and coffee certification in Honduras.

William Steel, Seth Kwame Anani, Alfred Asante, and Yaw Gyima-Larbi write on microfinance growth in Ghana. Ghana was an early leader in establishing a flexible regulatory environment for microfinance, allowing rural and community banks and savings and loan companies to adopt microfinance methodologies to reach previously excluded populations. The article explores how profit-oriented microfinance was able to rapidly proliferate in this environment without adequate capacity for regulation. This resulted in 'lost deposits, public mistrust and a painful delicensing process'. The authors conclude that regulation must be accompanied by measures to build capacity for successful transformation and oversight of MFIs for both financial inclusion and sustainability.

Nicholas Lash and Batavia Bala in their article propose that international differences in MFI expansion may be partially attributable to business-unfriendly regulations and legal structures. Their study of 51 emerging market countries for the period 2007–2015 uses two measures for MFI lending: 1) the market Penetration Index (PI), which reflects MFIs' outreach; and 2) Gross Loan Portfolio per capita (GLP) which gauges the volume of MFIs' lending. The first study to incorporate both measures, the authors found evidence that excessive regulation and weak legal institutions are associated with fewer MFIs lending both in terms of outreach (PI) and loan volume (GLP).

In response to the economic challenges of the pandemic, the Government of India introduced a moratorium on MFI borrowers' loan repayments. Priti Dubey found that the moratorium significantly helped borrowers but had adverse effects on loan penetration by MFIs. Nevertheless, findings showed that MFIs remained resilient to COVID-19, except in the case of a reduced number of borrowers. Moreover, the findings suggest that interest rate and inflation impact every MFI performance criterion while national income only affects the loan penetration efficiency of MFIs.

Enock Stanley Ugulum's case study evaluates the impact of small loans and regular savings deposits by members of Iringa Hope Joint SACCOs (IHJS) on the improvement of household welfare in Iringa, Tanzania. Data were collected via a questionnaire completed by 170 SACCO members. The results revealed that IHJS households' welfare is improving due to increased household income, decision making and capacity building that influences regular savings by members. Furthermore, the study revealed that employment has been increasing due to financial access and becomes sustainable as income increases, with training to enable the improvement of governance and performance of financial services.

Youri Dijkhoorn and colleagues illustrate how the coffee sector in Honduras has benefited from high growth rates and substantial improvements in crop yields. Certified coffees guarantee a higher income share to farmers that are engaged with integrated wet and dry coffee processing facilities through their cooperative organization. In addition, these cooperatives have licences that enable direct export transactions and negotiations for receiving premium prices. Consequently, certified farmers receive value-added both through production and processing/marketing. Environmental effects tend to also be more positive for certified and organic farms that rely on more local inputs (animal manure, composting) and can recycle the coffee factory residues for farm-level nutrient management. Moreover, more input-intensive coffee cultivation brings production closer to its potential, and consequently, emissions per unit of output will be smaller.

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