# Report on Bachelor / Master Thesis

**Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague**

| Student: | Nicolas Griss-Trempe |
|---|---|
| Advisor: | Karel Janda |
| Title of the thesis: | Microcredit in Developed Countries: the Case of Quebec |

***OVERALL ASSESSMENT** (provided in English, Czech, or Slovak):*

This is a report of thesis advisor provided by thesis advisor Karel Janda.

This Master Thesis provides a description of micro credit in Quebec. The Quebec description is complemented by a general review of microcredit literature, with emphasize on microcredit in developed countries and on group credit schemes, and with general description of relevant features of country profile for Quebec, Canada and several selected developed countries. The thesis is concluded with regression model based on interesting, so far uninvestigated data on Quebec microcredit.

The author dilligently worked on the thesis over the whole past academic year and took good care to discuss the progress of the data collection and other work on the thesis with me.

Even after several rounds of improvements, the diploma thesis is still not sufficiently integrated and polished. Its parts do not really form one whole integrated unit.

It should be positively noted that author mastered Latex typesting system. This helped him to create good formal appearance of the thesis. This also helped the author to manage well the citations and the list of references. However as a Latex beginer the author obviously made some mistakes, due to his Latex beginer status (for example in the list of references). It should be mentioned that author is a native French speaker, not English speaker, which may provide an explanation for some English deficiencies contained in the thesis.

While the literature review is well connected with the topic of the thesis and the discussion of the literature mentioned in the thesis is done quite diligently and thoroughly, the literature review is somehow biased towards older literature with missing connections to the most recent literature.

The description of the Quebec microcredit (chapter 6) is very much dependent on a single source, some internal material of Quebec microfinance umbreall orgaization RQCC. This material should be properly identified (when citation with quotation marks is used, the page from which it is cited should be identified) and included in the list of references.

The questions and answers in Appendix A provide an interesting original research material and it would be nice to follow up on them.

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The data analysis in chapter 7 is not as promising as it looked ex ante. It is plagued by a low statistical significance. For example the training mentioned on page 41 does not make statistically significat difference. (It is not correct to comment only on the sign of regression coefficient without taking explicitly into account the statistical significance).

There is a number of smaller or bigger questions related to the thesis, which may be addressed during the defense.

Gini coefficient on p. 4 should be compared with Gini coefficients for other (developed) countries.

Since the thesis very much uses the idea of one group (French speakers) in the somehow different environment (the rest of English speaking North America), it would be also interesting to look at microfinance among Natives (First Nations).

When describing Alterna Savings on p. 9, it would be nice to compare their lending terms with lending terms at other Canadian financial institutions.

The section 5.1 Challenges did not mention as one of the reasons for lower utilization of microfinance in developed countries the fact that while a few dollars for hen or goat in a developing country may start the succesfull entrepreneurial project, the seed money required for commercially viable project in developed country are much higher. While the author alludes to this in some sections after the section 5.1 Challenges, he should elaborate more on this topic.

The author should provide better connection between the introduction/ description of Canadian microfinance institutions on p. 8 and RQCC on page 22.

What is Allophone on page 26.

Given the focus of the author on business training, it would be usefull to elaborate more on the very interesting information about high education level of microcredit participants in Quebec. Is it comparable with other (developed) countries? What could be possible interactions of education level with business training? Are university educated people more likely to take business training? Are they more likely to benefit from business training taken?

The mechanism of the use of seed money or guarantee, mentioned on page 28 could be described in more detail. A related topic would be more involved discussion of the role of significant government support to Quebec microfinance (p.35).

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The big difference in survival rate among average Quebec entrepreneur and the microfinance participant (page 31) is a very interesting finding and it would deserve more attention.

While the thesis would definitelly deserve more work and improvements, I recommend the thesis for defense already in the present state without requiring any postponement of the defense. I believe that the thesis is defendable in the present form.
In the case of successful defense I recommend the grade 3.

**SUMMARY OF POINTS AWARDED** *(for details, see below):*

| CATEGORY | | POINTS |
|---|---|---|
| *Literature* | *(max. 20 points)* | 10 |
| *Methods* | *(max. 30 points)* | 15 |
| *Contribution* | *(max. 30 points)* | 10 |
| *Manuscript Form* | *(max. 20 points)* | 15 |
| **TOTAL POINTS** | *(max. 100 points)* | **50** |
| **GRADE** | **(1 – 2 – 3 – 4)** | **3** |

*NAME OF THE REFEREE:  Karel Janda*

*DATE OF EVALUATION:  May 22, 2013*          *Karel Janda*

_____
                                                                            *Referee Signature*

## EXPLANATION OF CATEGORIES AND SCALE:

**LITERATURE REVIEW:** *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

| *Strong* | *Average* | *Weak* |
|----------|-----------|--------|
| *20*     | *10*      | *0*    |

**METHODS:** *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

| *Strong* | *Average* | *Weak* |
|----------|-----------|--------|
| *30*     | *15*      | *0*    |

**CONTRIBUTION:** *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

| *Strong* | *Average* | *Weak* |
|----------|-----------|--------|
| *30*     | *15*      | *0*    |

**MANUSCRIPT FORM:** *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

| *Strong* | *Average* | *Weak* |
|----------|-----------|--------|
| *20*     | *10*      | *0*    |

### Overall grading:

| TOTAL POINTS | GRADE | | |
|--------------|-------|-----------------|--------------------------------|
| 81 – 100     | 1     | = excellent     | = výborně                      |
| 61 – 80      | 2     | = good          | = velmi dobře                  |
| 41 – 60      | 3     | = satisfactory  | = dobře                        |
| 0 – 40       | 4     | = fail          | = nedoporučuji k obhajobě      |