

Microfinance and Microbusiness

- From Global Rule Making Perspectives -

International Colloquium on Microfinance

UNCITRAL / Vienna / 2013. 1. 16

Prof. OH Soogeun

Ewha Womans University, Seoul, Korea

9 9 8 8

- **Global Economic stagnation**
- **Lack of jobs**
- **Income polarization**
- **Increasing poverty population**
- **Increasing demand on welfare**

From Microfinance to Microbusiness

2013 Colloquium on microfinance creating and enabling legal environment for microbusiness

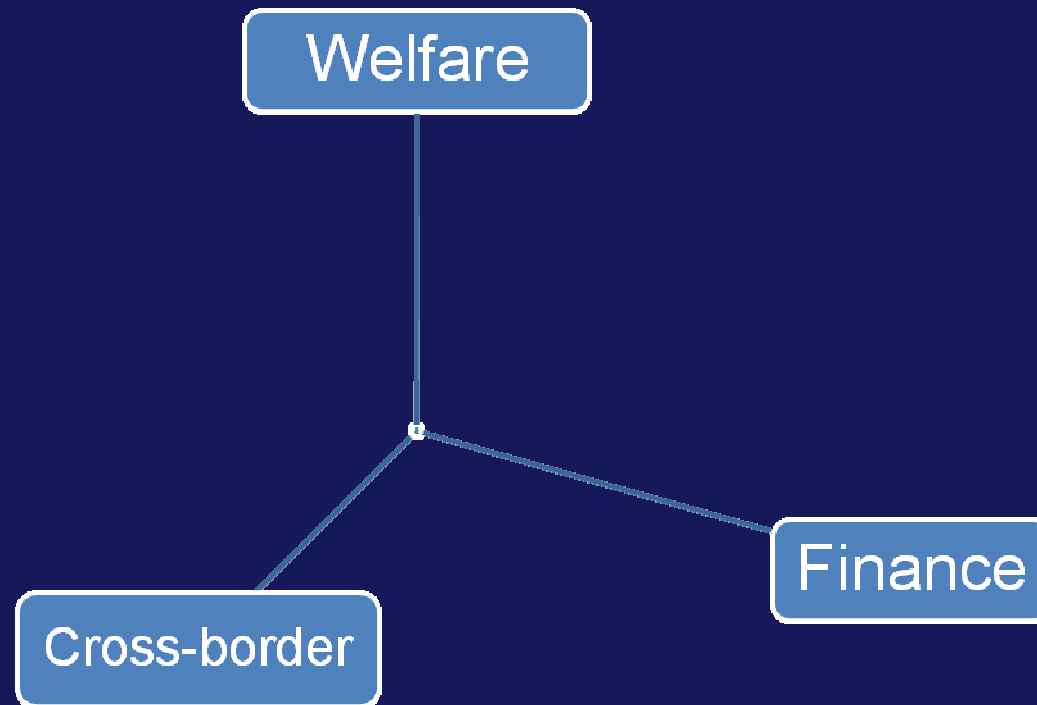
2012 Note: Secured lending, dispute resolution and E-money
2012 45th: Access to credit for MB/SMEs

2011 Colloquium: Financial inclusion and regulation
2011 Note: Initiatives on financial inclusion and issues on MF
2011 44th: Request of study on some issues and global survey

2010 Note: Definition, trend, legislation and regulation on MF
2010 43rd: Call for a colloquium

2009 42nd: Request of study on regulatory and legal framework on MF

Diverse Attributes of Microfinance



People's Happiness

Welfare Improvement

Building Social Safety Net

- Pension
- Health
- MICROCREDIT**
- Debts reduction

Economic Growth

Facilitating Microbusiness

- Management skill
- Technical skill
- MICROCREDIT**
- Incorporation
- Dispute Resolution
- Insolvency

MICROFINANCE

Collateralization
Branchless Banking
Mobile Banking
E-money

Maintaining Sound Financial System / Consumer Protection

Why Rule of Law?

- ✓ **To ensure transparency of the market**
 - For investors, lenders, creditors and businessperson
 - Reduction of costs in trade
- ✓ **To orderly and effectively implement policies**
- ✓ **To prevent corruption**
 - Without law, money works

Why UNCITRAL?

- ✓ **Experiences in global rule making**
 - Contract, insolvency, transportation, arbitration, e-commerce, security
 - Flexibility in the format of rules
- ✓ **Rules in practice**
 - Practical rather than political or diplomatic
 - Open to member, non-member and observers
 - Decision on the basis of consensus
- ✓ **Educational function**

What Issues?

✓ **Issues of Existing Working Groups**

- Security interests
- Insolvency
- Dispute resolution
- E-commerce

✓ **New Category: Trust Building and Anti-fraud**

- Separation of business from natural person
- Establishing credibility for accounting statements

Thank You!