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The quarterly newsletter of the **Focal Point for Microfinance** at ADB aims to provide information on microfinance. Articles in the newsletter, however, do not necessarily reflect official ADB views. Articles may be copied with proper acknowledgement of the source. Please address any inquiries concerning the newsletter or its content, comments and suggestions to the Head, Focal Point for Microfinance, Finance and Infrastructure Division, Asian Development Bank, P.O. Box 789, 0980 Manila, Philippines.

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FINANCE for the POOR

ASA – The Ford Motor Model of Microfinance

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Henry Ford was one of the most innovative pioneers in the early production of motor vehicles. In 1913 he successfully introduced the moving assembly line method of production. It radically altered car manufacturing enabling him to sell the Model T for as little as \$500, putting car ownership within the economic reach of a large segment of the population. By 1923, his company was producing half of America's automobile vehicles. Standardization was the hallmark of his operations. By utilizing stan-

“ I will build a car for the great multitude. It will be large enough for the family, but small enough for the individual to run and care for. It will be constructed of the best materials, by the best men to be hired, after the simplest designs that modern engineering can devise. But it will be low in price that no man making a good salary will be unable to own one – and enjoy with his family the blessing of hours of pleasure in God's great open spaces”

Henry Ford

dardized parts and developing an assembly line composed of special purpose machines, he was able to hire semiskilled and unskilled workers. Ford engineers were able to reduce assembly time per automobile from 12 ½ worker-hours in 1912 to 1 ½ worker hours in 1914. Experimentation and refinements in production were continuous so costs were cut to a minimum. Consumer choice was limited for the Model T. Ford offered his clients “any color of Model T they want, as long as it is black.”

Md. Shafiqul Haque Choudhury, the founder and Managing Director of ASA (Association for Social Advancement) in Bangladesh is the Henry Ford of microfinance in Asia. He champions standardized low-cost microfinance, and created one of the most efficient MFLs in the world in the delivery of microfinance services to large numbers of poor households. Those who are interested in developing sustainable, cost-efficient microfinance can learn a great deal from Mr. Choudhury's “Ford Motor Model” of microfinance.

The Origins of ASA

ASA was organized as a nongovernment organization (NGO) in 1978 with the “vision of creating an enabling environment to establish a just society.” Groups of villagers (samities in Bangla) were organized as a means to create a people's movement based on awareness and solidarity among the rural landless peasantry. It was expected that consciousness raising would lead to social action.

