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Should Access to Credit be a Right?

| Published: 09 February 2008

| Volume 84, pages 17–28, (2009) [Cite this article](#)



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Abstract

Discussion on financial ethics increasingly includes the problem of exclusion of the poorer segments of society from the financial system and access to credit. This paper explores the ethical dimensions surrounding the concept of a human right to credit. If access to credit is directly instrumental to economic development, poverty reduction and the improved welfare of all citizens, then one can proclaim, as Nobel Prize Laureate M. Yunus has done, that it is a moral necessity to establish credit as a right. Arguments both supporting and opposing the concept of a right to credit are presented. While there may be general agreement that access to financial services may provide a pathway out of poverty, granting a universal right could induce perverse effects such as overindebtedness. Bearing in mind the ultimate goal of proponents of this right as well as the potential harmful consequences, this paper offers a new perspective on the question of access to credit based on a goal-right system.

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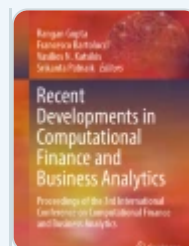


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Acknowledgements

This article has been written during a research stay at Harvard University. I thank Tim Scanlon and Amartya Sen for very useful discussions and comments on a first version. I also thank Ariane Chapelle, André Farber, Firas-Eugen Faso, Ruth Hoffman, Marc Labie, Henk Moll, Kim Oosterlinck, Ariane Szafarz, Daniel Traca and Annabel Vanroose for written comments. No agreement with my views, however, should be attributed to these persons, and all errors are entirely my own.

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About this article

Cite this article

Hudon, M. Should Access to Credit be a Right?. *J Bus Ethics* **84**, 17–28 (2009).

<https://doi.org/10.1007/s10551-008-9670-y>

Received

10 July 2007

Issue date

January 2009

DOI

<https://doi.org/10.1007/s10551-008-9670-y>

Accepted

16 January 2008

Published

09 February 2008

Keywords

[credit](#)

[financial exclusion](#)

[human right](#)

[justice](#)

[microfinance](#)

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