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Should Access to Credit be a Right?

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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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