

Case Study: ARYSH

Arysh Invest is a microfinance institution (MFI) that specializes in serving the female internal migrant population in Kyrgyzstan. Arysh was founded as an NGO in 2000 to promote internal migrant rights and became a microfinance institution in 2003. Arysh's portfolio is comprised entirely of urban borrowers, as it focuses on serving communities on the outskirts of the capital city of Bishkek. A large portion (79%) of Arysh's portfolio is lent to women. This is especially notable as Arysh operates in a market in which women do not typically comprise more than half of an MFI's portfolio.



Borrower Impact

Following the collapse of the Soviet Union, many rural Kyrgyzstanis chose to migrate from the countryside to the capital city, Bishkek, in search of economic opportunity. However, most rural migrants were unable to afford housing within Bishkek. As a result, nearly 50 shantytowns or novostroiki of one-room clay and straw shelters popped up along the outskirts of the capital city.



The shantytowns not only provide inadequate shelter from the elements but perpetuate Kyrgyzstani disenfranchisement and slow economic growth. Kyrgyzstanis are only permitted to vote in and receive social services from the district from which they have a residency permit. Without a residency permit in

Bishkek, internal migrants would have to travel back to the part of Kyrgyzstan they left in order to cast their vote or receive social services, which is normally prohibitively expensive on a meager income. A registered house that meets certain standards is necessary to receive a residency permit. Most of the dwellings in the peri-urban areas of Bishkek did not meet the standards necessary to receive a residency permit.



About half of Arysh's portfolio is dedicated to home improvement loans that allow the house to meet the standard necessary to register it. Arysh loan officers are able to simplify the process of obtaining a residency permit and issue these permits to borrowers for the equivalent of \$50 USD. With a legitimate residency permit, internal migrants can register to vote and participate in the state's budgeting and resource allocation process. Access to a loan from Arysh means that residents of the peri-urban areas no longer have to choose between economic opportunity and social services.