

A Qualitative Analysis of People Views of Microfinance in Lebanon

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Abstract : Introduction: In the Middle East and North Africa (MENA) microfinance struggles to find momentum. The Lebanese economy has been struggling through the years due to domestic and external, political and social instability. Although as of 2014 there are around 23 MFIs that are mainly subsidized by the USAID, operating in the country, the Lebanese microfinance market is mostly dominated by three microfinance institutions: Al Majmoua, Vitas, and Al Quard Al Hassan Association. Methodology: A quantitative approach using a standardized questionnaire would analyse the perception of the average Lebanese towards microfinance. A questionnaire was designed and validated. Results: Almost half of the respondents earn a monthly income ranged between \$100 and \$600. Almost 52% of the respondents were university graduates, around 25% finished secondary and high school, and 12% hold a masters or MBA degree. Topic understanding towards microfinance differs across Lebanese areas. The highest percentage of respondents who claim that microfinance offers financial services to low income people are the residents of Beirut (35.1%), Bekaa (30.8%), and South of Lebanon (24.7%). Higher levels of topic understanding were associated with lower levels of age range. Al Quard el Hassan foundation was regarded as the most known micro financial institution operating in Lebanon. In general, Lebanese people tend to believe that microfinance can play an important role in reducing unemployment rates and poverty levels in Lebanon. When people were asked what would motivate you to get a loan from MFIs, most of the respondent (57.4%) across all the Lebanese region claimed that it was the need for money to satisfy a need such as paying back a loan, to fix something at home, or for self-consideration like buying a car. Conclusion: Our findings showed that in general Lebanese tend to have a positive perception towards microfinance. However, most Lebanese perceive microfinance as the process of just providing loans without specifying for whom it is intended. We advise that government introduces laws to regulate the microfinance market.

Keywords : microfinance, economics, finance, business, analysis, theory

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