

# Microcredit in Lebanon: First Data on Its Beneficiaries

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## Abstract

In Lebanon, microfinance is not specially developed. Financial institutions that allocate microcredits are NGOs that are mildly supported by the government. The activity of these institutions affects only 11.5% of the population (IFC, 2008, cited by Mayoukou et al., 2013, p.4). These authors note the lack of empirical data related to microcredit granted by microfinance institutions in Lebanon, particularly regarding the characteristics of their beneficiaries. Our study emphasizes the characteristics of beneficiaries of microcredit allocated by MFIs (microfinance institutions) in Lebanon. As a result of data obtained from MFI heads, the results seem to show that NGOs MFIs give more credit to men than to women, and a low percentage of credit goes to startups. In addition, beneficiaries have a low level of education, poor or moderately poor, and are located in rural areas. Gender discrimination in the allocation of micro-credits was highlighted on the basis of the first data processed in this work. The results of the interviews with MFI's administrative officials seem to show that the men loan officers may distinguish between male and female beneficiaries and prefer to grant microcredit to a man. Women beneficiaries may have less information about the credits offered by them, or do not take initiative because they live in a patriarchal society. Moreover, men go through their wives to get another microcredit.

**Keywords:** characteristics of beneficiaries of microcredits, gender discrimination, microfinance institutions (MFI), microcredit, microfinance

## 1. Introduction

Financial constraints are obstacles to the creation and growth of microenterprises in Lebanon, particularly for rural entrepreneurs. Microcredit is now a political and economic instrument for combating poverty (Bayai and Ikhida, 2016) and unemployment which reached 21% in 2014 in Lebanon (Sawaya, 2014). It is a development tool in the country of the cedars given its bad economic-political situation. Work and empirical data on microcredit are almost absent in Lebanon (Mayoukou et al., 2013). Numbers and studies exist, but they are considered as incomplete. The data available on the microfinance institutions site "Mix Market" are relatively rare and their updating dates from 2011 for some MFIs. In 2011, Lebanon was ranked as 38th «in terms of a business environment conducive to microfinance but remains below the world average» (Lebanon this week, 2011). «Microcredit institutions in Lebanon provide micro and small loans to start-ups, employees and micro-entrepreneurs », according to the report of the Ministry of Economy and Trade (2014, p.7).

According to the same report (2014), the amount of funding allocated amounts to \$ 1,000, \$ 15,000 and reaches a maximum of \$ 50,000 per applicant. According to Najib Choucair, Executive Director and Head of the Banking Department of the Bank of Lebanon (BDL), the maximum amount that could be provided to a beneficiary was 10,000,000 LL or about 7,000 \$ maximum before 2004 ( Circular number 93 – interview conducted in 2016). An experience in the field of work or a feasibility study is sometimes requested for obtaining credit by a microfinance institution (MFI). The credit can then take the form of « working capital, fixed assets and/or real estate investments » (Report of the Ministry of Economy and Trade, 2014, p.7). These MFIs aim to improve social, economic and cultural living conditions, especially in the rural Lebanese zones (Report of the Ministry of Economy and Trade, 2014). Microcredits are ultimately granted by a dozen of financial institutions (Report of the Ministry of Economy and Trade, 2014, p.7).

Given the lack of empirical data on the characteristics of beneficiaries of microcredits coming from MFIs in Lebanon, our work will present first information on this point with their geographical location. Moreover, the activity of microfinance financial institutions in Lebanon «affects only 11.5% of the population» (IFC, 2008,

cited by Mayoukou et al., 2013, p.4), hence the importance of potential development. So, our research question is: "What are the characteristics of the beneficiaries of microcredits granted by microfinance institutions in Lebanon?" In order to answer this question, we will briefly present the definitions chosen first, based on a rapid literature review on microfinance, the Lebanese socio-economic context and an overview on the granting of microcredits by microfinance institutions in Lebanon. As a second step, the descriptive methodology will be presented, including how to obtain the empirical data available within MFIs, and the results will be proposed in a third stage. Finally, we will quickly discuss all the above mentioned and highlight their limitations as well as the proposals we can draw from them.

## 2. Literature Review

In this section, we will discuss microfinance in the literature (2.1), the Lebanese socio-economic context (2.2) and give an overview on the granting of microcredits by microfinance institutions in Lebanon (2.3).

### 2.1 Microfinance in the Literature

A certain unanimity reigns over the definition of microcredit and its peculiarities. Almost all the authors agree that microcredit corresponds to a credit with most interest, a small amount allocated to micro-enterprises, self-entrepreneurs, artisans and even individuals, which are excluded from the traditional credits offered by the classic banks services. It will be understood that the small amount allocated will enable populations not admitted by traditional banks to create, resume or develop an activity capable of generating income, but also to implement life projects such as the purchase of housing, job search, geographical mobility, follow-up training, etc.

So Lelart (2006), cited by Smahi et al., (2012, p.4) defines microfinance as « a little credit, low value, significantly lower than the credit that a company or household can solicit from a bank. This credit is claimed by people with relatively low incomes. It is often asked to develop an activity that generates income, whether it is an old activity that one would like to extend or new that one would like to create ».

The origin of this type of credit can be traced back to the mountains of piety, tontines, mutuals of "Credit Agricole", even "Banques Populaires", etc. Contrary to popular belief. Microcredits do not only concern developing countries but also developed and transition countries. Let's remember that the Nobel Peace Prize of 2006 came back to the economist and entrepreneur Muhammad Yunus, Bangladeshi, to reward his role in micro crediting and the bank he created, the GRAMEEN BANK.

The importance of microcredits is estimated to be at more than 12 billion US dollars, and its beneficiaries reach nearly 200 million clients, of whom  $\frac{3}{4}$  are women. One twenty-eight million poor people, of which more than 80% of women are beneficiaries of microcredits. It is understandable why microcredit and microfinance (which includes microcredit, microinsurance, saving, etc.) are considered as privileged instruments for fighting poverty and empowering women in difficulty. More than 10,000 microfinance institutions would be present in more than 90 countries thus, showing the magnitude of the phenomenon.

Several studies have been conducted on the gender of beneficiaries of a microcredit and the results showed that microfinance does improve the empowerment of women and reduced gender discrimination (Bernstein, 2009; Hansen, 2015; Bayai and Khide, 2016). Other studies have been conducted by several types of research on the impact of microfinance on the socio-economic policies of developing countries, to know: Hulme and Mosley (1996); Wright (2000); Morduch and Haley (2002); Khandker (2003); Mosley and Steel (2004); Gu érin and Doligez (2006); Duflos et al. (2009) (cited by Smahi et al., 2012, p. 2) and Feuilherade (2013) and Marku and Balili (2016). The aim of these researchers is to show how microcredits contribute to reducing the level of poverty and improve the living standards of households, particularly in developing countries. According to Smahi et al., (2012), few works shows that the improvement in household living standards is attributed to microfinancing programs and not to other reasons. They find that the improvement of the living standard of the households is badly appreciated. For Algeria, in the Tlemcen region, it seems difficult to determine the impact of microfinance programs on the standard of living of households even though they cover a large population (Smahi et al., 2012). For Lebanon, the assessment affected the work of two "MFI" microfinance institutions (Al-Majmoua and Vitas) in 2010, but not the impact of their mission on household welfare. No study, to our knowledge, has targeted the effects of the granting of microcredits by MFIs in Lebanon. But before studying the impact of microfinance programs on the welfare of beneficiaries in Lebanon, it seems important to determine their characteristics by highlighting the level of poverty. In 2012, Morocco represents the country that offers the most credits with 674,302 loans, and Lebanon occupied the penultimate rank with 36,726 loans (Feuilherade, 2013). The study also showed that loans granted by MFIs reach only 1.8% of the population, hence the importance of improving what the sector can do, given the needs of the population.

## 2.2 The Lebanese Socio-economic Context

To penetrate the economy, microfinance can be seen as a starting point for people living in low-income countries (Hansen, 2015), especially those located in rural areas. Beneficiaries are more or less excluded from the banking system, which requires bonds or guarantees from family members or solvent friends, administrative fees and insurance. Although Lebanon has a banking system attractive to SMEs, but still loans for VSEs/SMEs are not fully satisfactory. The middle class has almost disappeared, given the weakness of potential revenues to accumulate. The minimum monthly wage reaches 675,000 Lebanese pounds currently or 450 dollars in a country where the house rent ranges are between 500 and 800 dollars per month, and even more in the capital Beirut. Concerning the number of people living below the poverty line in Lebanon, it «has increased by 66% since 2011, and the World Bank estimates that an additional 170,000 Lebanese have become poor between 2011 and 2014» (Kukrety, 2016). The economic growth rate, according to Trading Economics figures (2016), reached 1% in 2015 after 1.6% in 2006, 9.4% in 2007, 9.1% in 2008, 10.3% in 2009, 8% in 2010, 0.9% in 2011, 2.8% in 2012, 2.5% in 2013 and 2% in 2014. This reduction can be explained by the destabilization of Lebanon with the start of the civil war in Syria in 2011, the reception of Syrian refugees and the significant reduction in the touristic sector. These data show the need for an economic growth, especially through micro-loans granted by MFIs to people excluded from the banking system. It should be noted that women, deprived of funding (Hansen, 2015) according to the literature, must be targeted by MFIs (they presented only 24% of the labor force in 2014 in Lebanon - World Bank Report, 2015) because their needs are enormous.

## 2.3 An Overview of the Granting of Microcredits by Microfinance Institutions in Lebanon

Initiated during the civil war (Mayoukou et al., 2013), the majority of microfinance institutions in Lebanon are non-governmental organizations (NGOs) with some Lebanese anonymous companies (sal). Following an interview with Najib Choucair, Executive Director and Head of the Banking Department at the central Bank of Lebanon (BDL), we discovered that the latter encouraged the work of MFIs especially in rural areas and that only 50% of adults have Bank accounts in the country. Similarly, the BDL is in the process of increasing the number of ATMs (Automated Teller Machines) in front of banks, especially in rural areas, to boost the number of depositors in these regions. In Lebanon, Al-Majmoua and Vitas (known as Ameen) and ADR (Rural Capacity Development Association) are considered the largest microfinance institutions (Issa, 2013). On the site of the microfinance institutions "Mix Market", five institutions published limited financial information: ADR in 2011, Al-Majmoua in 2015, Emkan in 2013, Ibdaa in 2014, Makhzoumi in 2011 and Vitas in 2012. Note that the data disseminated is not related to the characteristics of the beneficiaries of the microcredit. In terms of financial data, Issa (2013) says that there is no requirement on the part of the Lebanese central bank or the government to publicly disclose financial information. The author indicates that the Planet Rating and Kiva groups only evaluated the Al-Majmoua and Vitas institutions in 2010. Planet rating found that Al-Majmoua has a «positive social impact» and Vitas «must measure its impact and refine its practices». To our knowledge, no study exists in Lebanon on the gender, the level of education, age, marital status and degree of poverty of beneficiaries of microcredit, and on their sectors of activity that preceded and/or following the obtaining of the loan. In terms of the type of beneficiaries, microfinance programs target women especially (Hansen, 2015).

Some institutions like Al-Majmoua, AEP, Makhzoumi and Tanmiyat Al-Rouwad are interested in women and carry out professional training sessions dedicated to them. On the other hand, some studies exist in terms of gender discrimination in the banking sector. According to Levy-Tadjine and Zouiten (2005) and Chebil and Levy-Tadjine (2010), women suffer from gender discrimination when granting bank credits. However, according to Wahidi and Paturel (2016), bankers do not distinguish between male and female entrepreneurs in Lebanon. Our work focuses on this point by considering whether there is any gender discrimination in obtaining microcredit from MFIs. The statistics which will be presented hereafter will, therefore, constitute first information intended to enrich knowledge in this field. Unlike the banking sector that asks for guarantees from family members or solvent friends, a salary domiciliation, high folder fees and insurance for the loan granted. According to the speech of several MFI managers, the applicant of microcredit needs only one guarantor or two (depending on the amount of the loan) who will present a certificate of their salary for the loan to be granted. It may even offer any other type of guarantee, and in case that the customer is insolvent for a specified period, the MFI will not receive the guarantee and will try to reschedule the debt as much as possible to facilitate the repayment of the borrower.

## 3. Methodology

The nature of the research (3.1), the sample and the data collection (3.2) will now be described very briefly.

### 3.1 The nature of the Research

Our work is descriptive. It aims to present information relating to the characteristics of beneficiaries of

microcredit granted by MFIs in Lebanon. Quantitative information will be provided by analyzing data obtained from statistical officers within MFIs. Based on quantitative data, qualitative data will be presented to highlight the high percentage of male beneficiaries of microcredits detected. In other words, our study aims to present information on the situation of female beneficiaries compared to men beneficiaries in terms of discrimination when granting microcredit. Qualitative information will be provided by analyzing qualitative data from semi-directive interviews conducted with MFI's administrative officials.

### 3.2 Sample and Data Collection

Our research has started by contacting the MFIs in order to have contact details of their statistical responsible. Our sample was composed of the following MFIs: Al-Majmoua, Vitas, Emkan, ADR, AEP, Hariri foundation for sustainable human development, Makhzoumi foundation, CFC, Al-Tamkeen, and ESFD (Report of the Ministry of Economy and Trade, 2014, p.7). The two institutions that no longer exist since 2016 are Alpha and Investa. We add the institution Tanmiyat Al-Rouwad which was established in 1998 and Ibdaa which was found in 2012, but are not included in the report of the Ministry of Economy and Trade of 2014. We do not ignore the existence of the AQAH institution (Al-Quard Al Hassan, 1982), but we excluded it from the study given that this entity does not follow the same loan rules as the other entities registered with the central bank of Lebanon (Issa, 2013).

Our investigation began in June 2016 and ended in October of the same year. The duration of each interview varied from 15 to 20 minutes to explain the nature of our study to those responsible. We obtained the data from seven MFIs in total: Al Tamkeen, ESFD, Al-Majmoua, Makhzoumi, AEP, ADR and Tanmiyat Al-rouwad. AEP and Tanmiyat Al-Rouwad MFIs answered all our questions by phone, providing us with approximate percentages of the points that were useful for our work.

Based on the quantitative data, a high percentage of male beneficiaries of microcredits was detected in five MFI, so a qualitative study seemed important. A semi-directive interview was conducted with MFI's administrative officials of these MFIs in January in order to present some information on the situation of female beneficiaries compared to men beneficiaries in terms of discrimination when granting a microcredit. The duration of each interview varied from 15 to 20 minutes.

Table 1. General information about MFIs in Lebanon

<b>General information on beneficiaries / Financial institutions</b>	<b>Al Tamkeen</b>	<b>ESFD</b>	<b>Al-Majmoua</b>	<b>Makhzoumi</b>	<b>AEP</b>	<b>ADR</b>	<b>Tanmiyat Al-rouwad</b>
Periods covered by the study	2003-2015	2003-2015	1994-2015	1997-2015	1984-2015	2013-2015	1998-2015
Year of creation of the MFI	2002	2000	1994	1997	1984	1998	1998
Type	NGO	NGO	NGO	NGO	NGO	NGO	NGO
Total number of loans	1786	8824	not provided	not provided	4460	13434	4000
Total value of loans	5, 193,438 \$	101,354,694 \$	not provided	not provided	18,204, 813 \$	not provided	10, 666,666 \$
Covered areas	<b>Mount Lebanon</b> (Chouf, Aley, Baabda and Bekaa (Rachaya and Hasbaya)) NB : The percentage is not available	<b>Mount Lebanon</b> 28.07% ; <b>Nabatieh</b> 23.10% ; <b>North</b> 17.97% ; <b>South</b> 13.37% ; <b>Bekaa</b> 12.62% ; <b>Beirut</b> 4.87%	not provided	<b>Beirut</b> (1997 till 2011), <b>Beirut and other areas</b> (2012 till 2015 with 40% of loans for other regions)	<b>North of Bekaa</b> (35%) North of <b>Tripoli, Saida and Beirut</b> (65%)	<b>North of Nabatieh</b> (70%), <b>Mount Lebanon</b> (23%), <b>Beirut</b> (3%), <b>Keserwan in North</b> (3%), <b>Beirut</b> (1%)	<b>Akkar in North, Bekaa and Nabatieh</b> (50%); <b>Other areas</b> (50%)
Average amount per loan	2000 to 7000 \$	Not provided	1000 to 7000\$	50to 10406 \$	1000 \$ to 7500 \$	300 \$ to 7000\$	2000 \$ to 13000 \$

Source: Authors, from statistics compiled by MFIs statisticians in Lebanon.

#### 4. Results

Before presenting the quantitative results compiled by MFIs statisticians, it is important to mention that the responding MFIs did not provide all the necessary information, considering some of them as confidential. Therefore, we used in the tables below the term "not provided".

Other information is noted as "unavailable": this means that the MFI is not interested in this kind of information when compiling its statistics. In addition, the ADR MFI provided only information for the three years 2013, 2014 and 2015.

Table 1 shows the general information related to MFIs and the covered period of the study since their creation till 2015, except for ADR, as mentioned above. All the MFIs that responded to our call are NGOs. The table also shows the total number of loans of certain institutions and their total value. It can be seen that the beneficiaries are mainly located at Bekaa, Nabatieh and at the north such as Akkar and Tripoli. The average loan amount varies depending on the MFI between \$ 50 and \$ 13,000 maximum.

Table 2.Characteristics of MFIs beneficiaries in Lebanon

Characteristics of beneficiaries / Financial institutions	Al Tamkeen	ESFD	Almajmoua	Makhzoumi	AEP	ADR	Tanmiyat Al-rouwad
Average age of beneficiaries	(25-45)= 29.3%; (45-60)= 51.3% ; (60 and >)= 19.4%	Average age = 38 years	Average age = 40 years	Average age = 34 years	Between [25 and 40 years]	(18-35)= 45%; (36-50)=38% (50 and >)= 17%	(18-25)= 15%; (26-34)=37% (35-44)=26% (>45)= 17% (55 and >)= 5%
Gender (Average percentage of the period covered by the study)	Female = 31.4% ; <b>Male = 68.6%</b>	Female = 17% ; <b>Male= 83%</b>	Female = 43% <b>Male=57%</b>	<b>Female= 52%</b> Male = 48%	Female = 50% Male= 50%	Female = 34% <b>Male= 66%</b>	Female = 36% <b>Male=64%</b>
Marital status	Married (the majority)	Married (the majority)	Married : 68% Single : 26% Divorced : 4% widowed : 2%	Married (the majority)	Married (the majority)	Single = 25% Married= 66% Divorced= 9%	Married (the majority)
Average number of children	3 to 4 children	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable
Level of education	University graduates (40%) Secondary level (60 %)	unavailable	University graduates (15%) Primary level (17%) preparatory level (44%) Secondary level (15%) Trainees (7%) Analphabet (2%)	Master degree (0.4%), University graduates (13.8%), technical (7.8%), secondarylevel(20.4%), preparatory level (23.6%), primary level (28.3%), alphabet(1.1%), analphabet (3.9%), unavailable (0.7%)	unavailable	University graduates (10%), technical (4%), secondary level (19%), preparatory level (39%), primary level (25%), analphabet (3%), unavailable	University graduates and secondary level (30%), primary and preparatory level (60%), analphabet (10%)
Poverty level	Average poverty	Average poverty	Poor (11%) Non poor (89%)	Poor (81%) Non poor (19% earns more than 50 \$ per day)	Poor (75%) Non poor (25%)	unavailable	Poor (35%), Average poverty (65%)

Source: Authors, from statistics compiled by MFIs statisticians in Lebanon.

The characteristics of the beneficiaries are presented in Table 2, which gives among other things the age groups or the average age of beneficiaries. In 5 institutions out of 7, beneficiaries are men with high percentages compared to women. Most of the beneficiaries are married. The average number of children is not available

except at Al-Tamkeen. The level of education of the beneficiaries varies mainly between the primary (till grade 5) and the preparatory (till grade 9). University graduates overall remain at a low percentage, with some exceptions. Finally, referring to the level of poverty of the beneficiaries of microcredit, the responses vary between "poor" and "average poverty". We note that the level of income that refers to the level of poverty has not been specified by MFI statisticians.

The sectors of activity of the beneficiaries are presented in Table 3, which shows a high ranking for services. For some MFIs, the gap between the service sector and the trade sector is not too high. For other sectors such as industry and agriculture, their percentages are relatively low, except for AEP where agriculture represents 40% of the beneficiaries. This seemed relatively consistent because 35% of the loans goes to beneficiaries located in the Bekaa where agriculture is the main occupation of the people living there (men and women). Also note that the sector of activity preceding the granting of a credit is the same as that which follows it (the focus on the same occupation characterizes those who are allocated a microcredit) and that a small percentage goes to the financing of Start-up, this is not surprising, given the mission of the type of credit that is the subject of our work.

The data of table 2 shows a high percentage of male beneficiaries of microcredit in five MFIs: Al Tamkeen, ESFD, Almajmoua, ADR and Tanmiyat Al-rouwad. Our semi-directive interviews concerned the gender discrimination in the granting of microcredits.

Our questions were:

1. Why do the microcredits granted go more to men than to women?
2. Do you trust a man beneficiary who requests a microcredit more than a woman?
3. Are women beneficiaries familiar with MFIs?
4. Are problems of repayment noticed more in men than in women beneficiaries?

Table 3. The sectors of activity of beneficiaries before and after obtaining a microcredit in Lebanon

Characteristics of beneficiaries / Financial institutions	Al Tamkeen	ESFD	Al-Majmoua	Makhzoumi	AEP	ADR	Tanmiyat Al-Rouwad
Current Sectors of activity	<b>1-Trade</b> 471 loans (26%) <b>2-services</b> 443 (25%) <b>3-personal loan</b> 367 (20.5%) <b>4- Industry</b> 256 (14%) <b>5-Transportation</b> 142 (8%) <b>6-Agriculture</b> 101 (6%) <b>7- Crafts</b> 6 (0.5%)	<b>1-service</b> 3412 loans (38.5%) <b>2-commerce</b> 3199 (36%) <b>3-Industry</b> 1297 (14.5%) <b>4-Agriculture</b> 916 (11%)	<b>1-service</b> (47%) <b>2-Trade</b> (27%) <b>3- Industry</b> (16%) <b>4-Construction</b> (7%) <b>5-Agriculture</b> (3%)	<b>1-service</b> (39%) <b>2-trade</b> (31%) <b>3- Personal loan</b> (24%) <b>4-Agriculture</b> (4%) <b>5-Industry</b> (1%)	<b>1- Service and trade</b> (45%) <b>2-agriculture</b> (40%) <b>3- Crafts</b> (10%) <b>4-Industry</b> (5%)	<b>1-Service</b> (34%) <b>2-trade</b> (29%) <b>3-agriculture</b> (12%) <b>4-house improvement</b> (17%) <b>5- personal loan</b> (8%)	<b>1-Trade</b> (48%) <b>2-Services</b> (42%) <b>3-agriculture</b> (8%) <b>4- Industry</b> (2%)
Sectors of activity before obtaining loans	The same as the current activity	unavailable	unavailable	The same as the current activity	The same as the current activity + low % to start-up	unavailable	The same as the current activity (92%) + low % to start-up (8%)

Source: Authors, from statistics compiled by MFIs statisticians in Lebanon.

The answers to these questions can be summarized in the appendix (see Appendix for complete proofs). In analyzing their speeches, the most important sentences are the following:

We do not distinguish between male and female beneficiaries when granting a microcredit, they remain few in number compared to male beneficiaries; Man officer loans in MFI's do not trust female beneficiaries when granting microcredits and would request for a man as a guaranty (husband, brother or father); women have information about microcredits offered by MFIs, but do not take the initiative; we work on the sensitization of the woman but it remains dominated by men; a lack of information exists and we need more marketing regarding

women's microcredits; repayment problems are almost absent in women unlike men.

The results of the semi-directive interviews with MFI's administrative officials seem to show that men loans officers may distinguish between male and female beneficiaries when granting microcredit, and prefer to grant credits to men.

## 5. First Elements of Discussion

The number of women beneficiaries of loans remains low in the microfinance sector. Only one institution (Makhzoumi) out of seven MFIs who agreed to provide data that reveals a number of women receiving a microcredit that exceeds that of males with 52%. AEP figures show a near equality between male and female beneficiaries. Although Al-Majmoua is one of the MFIs working on the emancipation of women, its figures represent a significant gap, even though it is smaller when compared to the other MFIs, with the exception of two. This gender gap deserves further reflection on a possible discrimination against women.

Indeed, our results seem to highlight that women may be suffering from gender discrimination in terms of granting of loans by MFIs, as is the case of the granting of loans by the traditional bank system (Levy-Tadjine and Zouiten, 2005; Chebil and Levy-Tadjine, 2010). Although bankers do not differentiate between male or female entrepreneurs in Lebanon (Wahidi and Paturel, 2016), our first results seem to question this point at the level of MFIs. They also note the exclusion of microcredits for financing start-ups, which is not a surprise, contrary to the previous trend in relation to women, seen initially intended target of microcredit to its origin.

We can, therefore, suggest that:

MFI's administrative officials do not distinguish between male and female beneficiaries when granting a microcredit, but women remain few in number compared to male beneficiaries;

- Man officer loans in MFI's may not trust female beneficiaries when granting microcredit and request a man guaranty (husband, brother or father);
- Women beneficiaries may not be very familiar with MFIs and are less likely to contact them than males.
- Lebanese women support their husbands by applying for a microcredit when they have no right to apply for a second loan.
- Start-ups are rather excluded from microcredits granted by MFI NGOs in Lebanon if we believe the few cases we have retained;
- The beneficiaries of loans granted by MFIs in Lebanon have a generally low level of education according to the data analyzed;
- Beneficiaries are rather poor or moderately poor, which is not totally unexpected given the nature of the studied credits.

Among the limitations of our investigation, it should be remembered that we were not able to get in touch with the beneficiaries themselves who could have given us their opinions on the gender discrimination when granting a microcredit by The MFIs. This lack of triangulation of data sources is a gap that should be covered in our future work on the subject.

At the methodological level, according to N. Choucair from the Central Bank of Lebanon, Lebanese anonymous companies (sal) are subject to bank secrecy, which explains their refusal to provide us with data that is considered as confidential. Indeed, all MFIs that have agreed to make data available for us are NGOs. It is, therefore, clear that our results could be specific to the NGOs.

## 6. Conclusion

In this work, we considered the characteristics of microfinance beneficiaries granted by MFIs in Lebanon. Based on the data provided by the statisticians of NGOs MFIs, we have identified the main conclusions set out above.

On a practical level, we suggest that MFIs should be more interested in gender equality in the granting of microcredits, which refers to the ethical dimension of the problem, and to take into consideration the important number of women in Lebanon, particularly in rural areas, which can be done through more marketing on the granting of female microcredit. The call is addressed to all MFIs that will be able to strengthen the role of women in Lebanon and perhaps to reach a better social balance.

As for the theoretical level, our results confirm in a certain sense that the literature at the gender level of the beneficiary, since the Lebanese microfinance does not lead to the privilege of women. We were also able to highlight the sex of the loan officer and their attitude towards women asking for a microcredit, which must be seen as a new variable to be taken into consideration.

In terms of research prospects, women's perceptions of the low percentage of microcredits they receive from MFIs, particularly in rural areas, seem important to analyze. The comparisons which are possible at the level of different geographical areas constitute a promising track but difficult to follow for reasons of confidentiality, and a Lebanese context that is not open to research in management, especially among MFIs where opacity reigns. But this should not be overlooked if we want to better understand the equality of treatment of men and women when granting microcredits in the country.

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## Appendix

### 1. Vice-president and General Programs Coordinator: ADR

"Yes, I have time to answer your questions with pleasure. Our society is patriarchal despite the changing role of women. The man did not allow his wife to apply for a credit because he is alive. He sometimes does it when he needs additional credit although he does not have the right for a second one. The majority of loans granted to women in villages go to divorced, widowed and single women. It is not a question of trust, but a patriarchal culture where the man demands more credit. There is no lack of information among women regarding the granting of loans by MFIs, but they are still less numerous than men. At repayment problems, they are almost absent in women, unlike men. "

### 2. Communication and Administrative Officer: ESFD

"With pleasure, you can start. We find that microcredits go more to men because, in my opinion, they take more risks and initiatives. In our society, men are rather obliged to take the risk to guarantee a better life for their families. They are the person in charge of the family. It has nothing to do with it, it is not a question of trust in men more than women. Women have information about microcredits offered by MFIs but do not take the initiative. Concerning women beneficiaries, complaints at the level of letters of guarantee are extremely low compared to men ".

### 3. General Director: Al-Tamkeen

"Microcredits go more to men in general, especially in villages where the woman is at home and does not work. Their husbands refuse the idea of them working or applying for a microcredit to embark on a modest job. Men are not trusted more than women. We are hoping to increase the number of women beneficiaries because the repayment of credit goes without any problems and much better than with men. We work on the sensitization of the woman but it remains dominated by the man, like the husband for the married woman and the father or the brother for the unmarried woman ".

### 4. HR and Social Performance Manager: Al-Majmoua

"I will answer with pleasure. We find that microcredits go more to men because there is a lack of awareness regarding women. They must be more aware by MFIs in Lebanon. The loan officer does not trust a woman who applies for microcredit. He asks her for a guarantee from her husband, her brother or her father. Briefly, the guarantee of a man. We noticed this behavior among loan officers in the villages. So we decided to recruit women loan officers to replace male loan officers. Statistics show that the number of women beneficiaries has increased. So we found that the sex of the loan officer plays a vital role in determining the sex of the beneficiaries. Moreover, we offered women a personal microcredit without a guarantee, in order to increase their number. Yes, a lack of information exists and we need more marketing regarding women's microcredit. Of course, women repay credits with fewer problems than men. "

### 5. Administrative Assistant: Tanmiyat Al-Ruwwad

"Generally, a woman does not have enough courage to ask for a microcredit, especially because she is asked for a guarantee from a government employee. As you know, the majority of government employees are men. Women do not take the initiative in our eastern society. In addition, commercial projects are more related to men than to women. The woman tends to find a job and does not have an entrepreneurial spirit like a man. In some cases, the woman needs a permission from her husband if she applies for a microcredit. I give you an example, we asked the husband for his permission that his wife works at home. She wanted to turn a part of their home to a workplace. It is not related to the trust, women are not enough courageous. Maybe the sex of the loan officer plays a role. Maybe he prefers to grant the loan to a man when he is a man. Usually, women support her husband by applying for microcredit when he has no right to apply for a second loan. Women are informed about our microcredit. We distribute brochures. They do not have any repayment problems because they think 10 times before asking for a microcredit. They are already afraid. For that reason, they repay on time."

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