

Microfinance in Eastern and Western Europe: A Comparative Analysis

Christoph Kneiding

GfA, Berlin
e-mail: kneiding@gfa-kritikos.de

Alexander S. Kritikos

GfA, Berlin & Hanseatic University Rostock
e-mail: kritikos@gfa-kritikos.de

Key Words

Microlending, Small Business Finance, Market Research

Abstract

We assess the experiences of Eastern European Microfinance Institutions (MFIs) in order to derive recommendations for their Western European counterparts. In particular, six dimensions are discussed: (1) building a supportive stakeholder environment, (2) defining a marketing strategy, (3) using advanced technologies, (4) defining a comprehensive product range, (5) developing screening mechanisms, and (6) selecting the right staff. We then proceed to propose a detailed action plan that incorporates these recommendations and define concrete milestones for the completion of each specific project step. This might serve as a blueprint for nascent Western European MFIs planning to enter their market.