

Examining The Barriers to The Microfinance Sector: Evidence from Padukka Division Sri Lanka

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ABSTRACT

Purpose: Microfinance Institutions (MFIs) provide services to low-income people to alleviate poverty. MFIs face barriers when reaching out to clients. This research aims to examine the barriers to the microfinance sector in the Padukka division of Sri Lanka.

Design/Methodology/Approach: The study used the multiple case study method. Four MFIs were selected for the study. Data were gathered by conducting 12 in-depth interviews of managers, officers, and clients from selected MFIs. The data were analysed by using cross-case analysis and pattern matching.

Findings: Supply-side and demand-side barriers were identified. Supply-side barriers are Deposit side barriers, loan-side barriers, and lack of knowledge, Demand-side barriers are lack of knowledge, non-membership, and economic barriers.

Originality: The findings contribute to the microfinance domain, and the practitioners could implement the recommendations.

Keywords: *Microfinance, Barriers, Sri Lanka*