

MEASURING PERFORMANCE OF SOCIAL AND NON-PROFIT MICROFINANCE INSTITUTIONS (MFIs) BY A MULTICRITERIA APPROACH

ABSTRACT:

Microfinance institutions (MFIs) are special financial institutions of both social and non-profit nature whose performance has been traditionally measured by means of financial ratios. However, performance rankings are usually based on a single criterion, so that performance measure varies according to the criterion used. This paper proposes a multicriteria methodology based on goal programming that considers simultaneously different dimensions involved in Microfinance Institutions performance. The paper is illustrated by a sample of Latin American MFIs.

Keywords: Microfinance institutions (MFIs); Multicriteria methodology; Goal programming; Microcredit; Financial Institutions' Performance

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