**Qualitative Economic Impact Evaluation in Microfinance:**

**The Use of Diary Methods**

Working Paper

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**Abstract:**

Microfinance has got widespread fame as a social business domain that deals with an excluded category of people to help them break their vicious circles of poverty through including them in the financial system. The objective of this paper is to suggest a theoretical model for measuring the economic impact in microfinance. We start with a review of the definitions of impact and its evaluation models in order to highlight the particularity of the economic impact and the qualitative evaluation approaches. Thereafter, the paper introduces the household economic portfolio model (HHEP) and discusses it as framework for qualitative economic impact (QEI) evaluation in microfinance. Finally, the use of diary methods will be suggested for implementing the HHEP model. The proposition of using diary methods is based on studying the recent use of diaries for measuring income poverty as well as time-poverty. The main contribution of this work is in analyzing the HHEP model through the lenses of impact evaluation, and suggesting the combination of the financial diaries and the time-use diaries in one study for implementing the HHEP model.

Keywords: impact evaluation, economic impact, qualitative methods, financial diary, time-use diary, poverty.

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