

Peer-to-Peer Lending and MSME Finance: Evidence from an Original Survey in China

Abstract

This study examines the effects and the performance of peer-to-peer (P2P) lending practices in micro, small, and medium enterprises (MSMEs). We conducted a survey of P2P borrowers in China and analyzed the factors that influenced their preference for P2P loans. A key finding was that young borrowers prefer P2P loans. This might indicate that they would be more skilled with online services and that non-established borrowers tend to depend on P2P loans. Furthermore, personal borrowers are drawn by the preferential conditions in the P2P loan contracts while business borrowers are not. Additionally, female personal borrowers prefer P2P loans.

Keywords

Peer-to-peer lending, MSME finance, borrowers, online platform, China.

Classification codes: G23 G28 G40