IMPACT OF MICROCREDIT ON SUSTAINABLE DEVELOPMENT OF BUSINESS

Mário Basto[1], José Manuel Pereira[2], Eduardo Leite[3], Amélia Ferreira da Silva[4], Marta Ferreira[5]

[1]Polytechnic Institute of Cávado and Ave, Barcelos, Portugal
[2]CICF, Polytechnic Institute of Cávado and Ave, Barcelos, Portugal
[3]CEOS.PP, University of Madeira, Portugal
[4]CEOS.PP, Polytechnic of Porto, Portugal
[5]Porto Accounting and Business Scholl, Portugal

E-mails: [1]mbasto@ipca.pt; [2]jpereira@ipca.pt; [3]eduardo.leite@staff.uma.pt;
[4]acfs@iscap.ipp.pt; [5]martaferreira@interdesign.comp.pt

Abstract. Microcredit emerged in the 1970s, in Bangladesh, as a tool for sustainable development. However, in Portugal, it only took its first steps in the late 1980's and emerged as a response to unemployment. This paper provides an overview of micro credit system in Portugal and aims to identify the profile of the successful microentrepreneur and point out the reasons that most contribute to the sustainability of microcredit business initiatives. Although the paper is mainly exploratory, we combined different methodologic approaches. First, we conducted interviews with key informants, then, we applied a questionnaire to microentrepreneurs. The survey contained three sections, namely, socio-demographic characteristics; characteristics of project; attitude as an entrepreneur. A sample group consisting of 96 participants of microfinance programme participated in the research. The findings indicate that the profile of the successful microentrepreneur is an individual with a superior degree, already have been employed, with positive or very positive level for the innovation of the product/service, for the adjustment of the business to the environment, for prior planning and for the accompaniment by public/non-profit institution. In a less degree, a positive level for training/professional experience in the project area and a positive level for self-esteem/self-confidence have also some influence. The results point out that the attitude as a microentrepreneur is less important than the characteristics of the project to the outcome of the microenterprise.

Keywords: sustainable development, microcredit, entrepreneurship success; microentrepreneur; questionnaire.

1. Introduction

Although, small and medium-size enterprises (SME) represent an important part of private sector in many developed and developing countries (Beck and Demirguc-Kunt, 2006), in general, financial structures (Berger and Udell, 2006) facilitate large firms access to external finance while SME are financially more constrained. While, there are important evidences that the latter are the ones that contribute most to sustained socio-economic development (Berger and Udell, 2006; Taiwo, Ayodeji and Yusuf, 2012), before they become SME, most of these enterprises stared at a micro size. Indeed, as pointed out by Liedholm and Mead (2013:1), "micro and small enterprises (MSEs) have been recognized as a major contemporary source of employment and income in a growing number of developing countries". Within the micro-enterprises universe, there is a group of special enterprises that have resulted from initiatives of disadvantaged socio-economic backgrounds and which few

or no guarantees have to be offered to potential funders. For this segment of the population bank credit is very expensive and access very difficult. For this reason, these initiatives hardly go out of their dream form and the disadvantaged situations perpetuate themselves (Kurosaki, Lal, Mangal, Banerji and Mishra, 2015).

In order to reverse this situation, a type of credit has been created, known as microcredit, which is distinguished from other credit modalities as small loans and designed for a very specific public (unemployed and on low incomes) who do not have access to conventional forms of credit. This special kind of credit emerged in the 1970s in Bangladesh. However, in Portugal it took its first steps in the late 1980's and emerged as a response to unemployment.

This paper provides an overview of micro credit system in Portugal and aims to identify the profile of the successful microentrepreneur and point out the reasons that most contribute to the success of microcredit initiatives.

Although the paper is mainly exploratory, we combined different methodologic approaches. First, we conducted interviews with key informants and successful microentrepreneurs. Then, we applied a questionnaire to microentrepreneurs. The survey contained three sections, namely, socio-demographic characteristics; characteristics of project; attitude as an entrepreneur. A sample group consisting of 96 participants of microfinance programme responded to the survey instrument.

The rest of the paper is organized as follows. Section 2 contains an overview of microcredit and presents a brief review of the literature of academic papers publish in web of science database during the last five years. The section describes and justifies the methodologic approach followed. Discussion on sampling, data and results is presented in section IV. The final section concludes the paper.

2. Theoretical background

The role of Micro, Small and Medium-Scale Enterprise (MSMEs) in the development of economies cannot be underestimated. These enterprises are being given increasing policy attention in recent times, particularly in third world countries partly because of growing disappointment with results of development strategies focusing on large scale capital intensive and high import dependent industrial plants. The impact of MSMEs is felt in the following ways: greater utilisation of local raw materials, employment generation, encouragement of rural development, development of entrepreneurship, mobilisation of local savings, linkages with bigger industries, provision of regional balance by spreading investments more evenly, provision of avenue for self-employment and provision of opportunity for training managers and semi-skilled workers (Abebe, Tekle and Mano, 2018; Kurosaki, Lal, Mangal, Banerji and Mishra, 2015; Ribeiro, Vaicekauskas and Lakštutienė, 2012). The vast majority of developed and developing countries rely on dynamism, resourcefulness and risk tasking of small and medium enterprises to trigger and sustain process of economic growth.

Microcredit emerged in the 1970s in Bangladesh. It emerged as a response to poverty and social exclusion as it promotes access to credit for the purpose of creating one's own job. The first initiatives appeared as programs to improve agricultural productivity in some poor regions. In the last few years there has been some controversy about the activities of some microfinance programmes, namely "there are concerns that some MFIs are proteering at the expense of poor borrowers, attracted by the high repayment rates, and charging very high interest rates which seemingly contradicts the original purpose of the MFI movement, namely making capital accessible to the poor to lift them out of poverty" (De Quidt, Fetzer and Ghatak, 2018:1019) Consequently, there is a general perception that microcredit programs need tougher regulations, must be rethought and better structured. Yet, at the same time, microfinance can already be considered as an important tool to combat social exclusion and poverty, becoming increasingly an alternative to social benefits.

Indeed, in spite of the problems that has been identified, the success of microfinance institutions across the world has been tremendous over the last two decades, culminating in the Nobel Peace Prize – 2006 for the

Grameen Bank and its founder Dr. Muhammad Yunus, known as the "Banker of the Poors". During one of his speeches, he said: "I have come to believe, deeply and firmly, that we can create a poverty-free world, if we want to. I came to this conclusion not as a product of a pious dream, but as a concrete result of experience gained in the work of the Grameen Bank. It is not micro-credit alone which will end poverty. Credit is one door through which people can escape from poverty. Many more doors and windows can be created to facilitate an easy exit. It involves conceptualizing about people differently; it involves designing a new institutional framework consistent with this new conceptualization. " (Yunus, 1998: 25). In this sense, microcredit appears among the various initiatives and approaches of the Social Economy.

The role of microcredit, particularly in Europe, should be highlighted in the fight against drug dependence by encouraging and supporting self-employment initiatives by the unemployed or workers at risk of unemployment as well as other beneficiaries of social security benefits. As a result, and in addition to job creation / microenterprises, it relieves pressure on the social security system. However, microcredit is not an instrument designed to create jobs in quantity or to produce, in the short term, a sudden change in the unemployment curve. Its role is primarily social inclusion through encouragement and support for economic initiative, by providing small loans to promoters and their monitoring over the life of the loan. The direct impact is the creation of at least one job for each loan, although in many cases there is one more job created (usually a member of the household). It is an instrument which fights simultaneously against economic and social exclusion. Thus, it requires a lot of very specialized and high-cost monitoring before reaching cruising speed and the amount of loans granted, that is, the jobs created. Hence, mere quantitative indicators (such as the number of loans or jobs created) are insufficient as performance measures and should therefore be combined with other more qualitative indicators of a social nature.

In Portugal, microcredit emerged in 1998 through the creation of the National Association of Credit Rights (Associação Nacional de Direito ao Crédito – ANDC). In 2010, the National Microcredit Program was created. This program facilitates access to credit through small-scale financing, designed to support the implementation of projects whose maximum investment and financing limit is €20.000. The main promoters and promoters of microcredit are ANDC and CASES - António Sérgio Cooperative for Social Economy.

According Mourão (2020: 3402), who studied the portuguese reality, "having family support, permanent customers, the self-perception of offering good products and services, and controlling costs were dimensions identified by the micro-entrepreneurs who managed the most durable micro-businesses". Previously, Mota, Moreira and Brandão (2018:168) has demonstrated that "education level, marital status, nationality, employment status, and business activity sector have a significant impact on borrowers' repayment performance". Following a more political and economic perspective, Bilau and St-Pierre (2018:94) assert that the "use of microcredit was found both in the more developed and poorest regions of the country and there was no significant variation between the expansion and the recession periods. Acording the authors, in Portugal, "microcredit appears to be a tool for disadvantaged groups in the richest regions (e.g. urban areas) more than a solution for people of the poorest regions" (Bilau and St-Pierre, 2018:94).

The thematic "microcredit" generate great discussion between academics all over the world. The proof of that is the huge number of publication available in electronic platforms at July 2020: in Web of Science the search result in 1362 publications; in Scopus platform results shown 1389 documents. In other to identify the most recent tendencies in literature, we restricted our search to 2020 publication of articles. We used basic search, introduced the word "microcredit" as topic and selected "articles or early access" as document types. This strategy of search resulted in 81 documents distributed by different scientific area, as shown in figure nº 1.
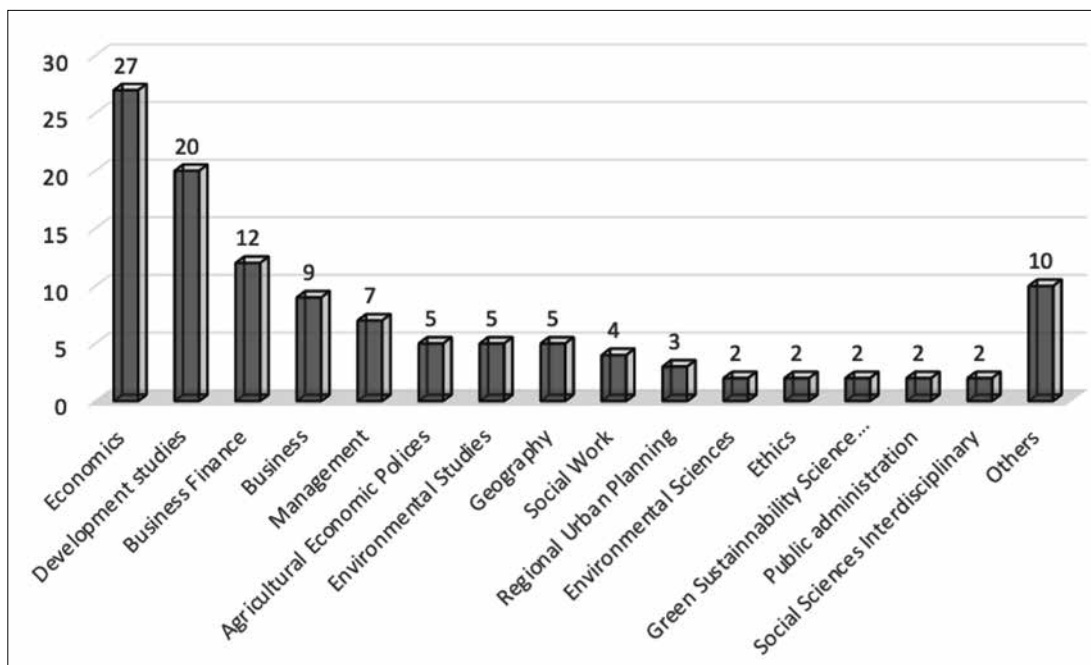
Figure 1. Graph of literature review on microcredit 2020

Source: Web of Science, July of 2020

Within the 81 articles published in 2020, there is only one about Portuguese experience regarding microcredit (Mourão, 2020). In table 1, we summarized the 10 article most recent published in web of science collection.

Table 1: Most recent paper about microcredit

Authors	Objective/Research Question	Methodologic approach	Conclusions/Contributions
Nakano and Magezi (2020)	To examine the impact of microcredit on the adoption of technology and productivity of rice cultivation in Tanzania.	Empirical - randomized control trial	Microcredit does not increase the fertilizer use by those who have better access to irrigation water as they have already applied the amount of fertilizer near to the recommended level. Credit increases the fertilizer use by those who have limited access to irrigation water and have previously used little fertilizer
Khan, Khan, Fahad, Ali, Khan and Luo (2020)	When the poor people are involved in the broader scale (different types of poverty level), can this microfinance work?	Empirical - probit model	The goal of providing sustainable financial services implicitly imply that MFIs provide financial services to the poor, whenever they find it profitable to do so. the removal of subsidy and the absence of interest rate restrictions could make the market for the poor become even worse as the market occupiers may act in their own interest.
Santoso, Gan, Revindo and Massie (2020)	To investigate the welfare impact of microfinance on rural households in Indonesia.	Empirical - structured questionnaire to rural households	The purpose of loan, monthly income, monthly expenditure, interest rates, loan amount, education and marital status have significant effects on the probability of increasing borrowers' welfare after accessing microcredit
Jordan (2020)	To examine microcredit's ability to support adaptation strategies that effectively address vulnerability to climate shocks in three villages in the Bagerhat and Chattogram districts of coastal Bangladesh.	Empirical - Case Study	The shocks (some climate related and some not) can result in reduction in food consumption, erosion of assets, depletion of savings, increased debt, and debt default, 'trapping' at-risk people in indebtedness through a process of cumulative vulnerability. Lack of outreach of microcredit, erosion of assets, supply barriers, and lack of credit alternatives reduce microcredit's potential to address the persistent determinants of vulnerability.

Sangwan and Nayak (2020)	To analyze the impact of the cost of microfinance intermediation on borrowers' loan size.	Empirical	The cost of microfinance intermediation has an impact on borrowers' loan size. To reduce the cost, the MFIs lend big loans to clients having a high income, assets, land size, lower informal borrowings and having longer loan experiences. In MFI lending, the younger and less educated people are the ones who demand bigger loan amounts. The geographical distance of borrowers' location from MFI offices, group size and interest rate are the other factors that influence the loan size.
Dulhunty (2020)	How the formation of 'power with' is particularly important in contexts of gendered isolation, where patriarchy is enacted through the spatial control of women and removal of women from the public sphere?	Empirical – case study, field research, focus group	The idea of empowerment is dependent on 'power with', drawing on feminist interpretations of power as a cluster of concepts. Self-Help Groups and microcredit programs are only effective if the group has developed enough trust and solidarity with each other.

Table 1: Most recent paper about microcredit (continued)

Authors	Objective/Research Question	Methodologic approach	Conclusions/Contributions
Mohiuddin, Mazumder, Al Mamun and Su (2020)	examine the relationship between informal credit programs and informal urban social microenterprises income in an urban area	Quasi-experimental research - control and treatment groups	Informal microfinance programs help to lift informal social urban microenterprises by increasing income from various microenterprise activities.
Thu, Duong and Tho (2020)	To examine the accessibility, loan purposes and effects of informal credits on poor households in Northern mountainous Vietnam.	Empirical – questionnaire, probit model	There is a considerably high proportion of informal borrowings from relatives, neighbouring villagers, professional moneylenders, rotating saving and credit groups, trade credits and mortgages. Labour force ratio, social capital and residential land areas are the key determinants of poor households' informal borrowings. The informal loans also have certain significant effects on poverty reduction and the welfare of poor households.
Nogueira, Duarte and Gama (2020)	To provide a systematic literature review of growing research on microfinance	Literature Review - Bibliometric analyses	There are three main dimensions of microfinance that guide academic research: social considerations, economic effects, and performance of microfinance institutions. Most literature focuses on developing countries, reflecting the success of microfinance as an instrument for promoting social and economic development. The financial inclusion and entrepreneurship domains remain empirically underexplored.
Waziri, Bin Ibrahim and Zan (2020)	To examine the impact of conditional cash transfer, youth empowerment and microcredit scheme on poverty alleviation in Niger state-Nigeria.	Empirical - questionnaires survey, PLSSEM path modelling	There is a strong and positive relationship between government intervention programs and poverty alleviation.

Source: Author's own work

From table 1, it is clearly a great tendency for empirical research, mainly case studies and national surveys, and the main research is under taked in developing countries, as confirmed by the findings of Nogueira, Duarte, Gama (2020).

3. Research design and methodology

We begin the research with a methodical search for databases related the National Microcredit Program. None of the entities involved (ANDC and CASES) had systematic and detailed databases, but both mentioned their intention to create their own database. The difficulties of implementing our research project have warned us that the methodological options have to result from a compromise between the desirable and the possible. Thus, knowing that microcredit is a subject that has been almost ignored by Portuguese academy and that there are no databases available, we have chosen to exploit the knowledge of experience using the technique of key informants (Yin, 2018). The key informant is a person in touch with the problem, who has a global understanding and structure of the phenomenon being studied and therefore is considered a specialist, an expert. In the national panorama, there were two personalities who fit this profile: President of ANDC and President of CASES. In both cases interviews were conducted with open questions. The previous analysis of the literature was crucial to guide the exploratory interviews with these key informants. The interviews were conducted based on a script (semi-structured). After typing the interviews, we analysed the content of the interviews and crossed all the information, trying to identify the points of convergence.

Concerning the overall programme, the informants agreed in the following points:
– Microcredit is intended for people who are socially excluded and who do not have access to conventional bank credit;
– The follow-up that the associations provide throughout the project is very important, although there is a lot of work to be done in the follow-up phases;
– Microcredit cannot scale. There is still much to improve to attract more entrepreneurs;
– People opt for businesses that have a return and almost immediate profitability and therefore the businesses that seek the most microcredit are small services;

On the topic of the entrepreneur profile, there were convergence in the following ideas:
– The person should have a personality strong enough not to give up in times of greater difficulty
– She/he need a family and social environment who believes in he/she can be a determinant incentive to fight and do not give up in face of difficulties;
– She/he should have enough humility to recognize their limitations, needs and a readiness to learn;
– She/he should have sufficient flexibility to adapt your business to the needs of customers;
– She/he should have some sense of organization and good relationship with partners (suppliers, customers, banking institutions).

Regarding the business project, the informants share the following ideas:
– Appropriate to the skills and know-how of those who promote it;
– Have feasibility and sustainability, taking into account several factors, namely product / service, location, type of customers, inherent costs and fixed costs, potential for evolution.
– Business model thought in an evolutionary way, step by step, go and testing each step.
– Be integrated in the life of the entrepreneurs

These ideas were essential for the construction of the questionnaire in three dimensions:
a) Variables concern to the socio-demographic characteristics: sex; age; level of education; marital status; the existence of children or dependents; the existence of business background prior to the microcredit project; the professional experience; the professional qualification; the occupation; own house; own car.
b) Variables concern to the characteristics of project: Level of direct competition; Level of innovation of the product/service; Level of adjustment of the business to the environment; Prior planning level; Level of accompaniment by public/non-profit institution.
c) Variables concern to the attitude as an entrepreneur: Level of personal motivation, Level of training/profes-

sional experience in the project area, Level of self-esteem/self-confidence, Level of knowledge of the legal framework of the business and Level of project expectations for improving living conditions.

The survey was conducted by phone, during March and October of 2014, with Portuguese microentrepreneurs that had beneficiated from financial and administrative support of public micro credit programmes. The survey was by three researchers that followed the same protocol. In total, it was made 164 attends of contact, but only 127 were well succeeded. However, from the 127 available to participated, only 118 accomplished the protocol condition to participate in the study. From this group, 96 questionnaires were completed.

4. Results presentation and discussion

To make possible drawing a profile of the successful microentrepreneur, several socio-demographic variables were tested to ascertain whether there were significant differences between successful and failed companies in the context of microcredit programs. The variables considered were sex, age, level of education, marital status, the existence of children or dependents, the existence of business background prior to the microcredit project, the professional experience, the professional qualification, the occupation, own house and own car. The results allowed to identify the variables that had a significant impact at the 0.05 level. Only level of education and occupation proved to be significant. Based on these results, the profile of the successful microentrepreneur is a person with a superior degree and although most respondents were unemployed, employee status is a success factor.

Regarding the profile with respect to certain characteristics of the project and to the attitude of the individual as an entrepreneur, a questionnaire composed by ten items with responses measured on a Likert scale was implemented. For each question, the respondents were asked to assign a value from zero to five, where zero means "very little or nothing" and five means "too much or fully". Thus, the following five variables were measured, regarding characteristics of the project: Level of direct competition, Level of innovation of the product/service, Level of adjustment of the business to the environment, Prior planning level and Level of accompaniment by public/non-profit institution. Regarding the attitude as an entrepreneur, another five variables were measured: Level of personal motivation, Level of training/professional experience in the project area, Level of self-esteem/self-confidence, Level of knowledge of the legal framework of the business and Level of project expectations for improving living conditions.

Given the size of the sample of only 96 respondents, and because some answers did not contain all the options in sufficient quantity for a rigorous analysis, the answers were agglomerated in three levels: one, which corresponds to a negative evaluation (categories 0, 1 or 2 of the Likert scale), two, with a slightly positive assessment (category 3) and three with a very positive assessment (categories 4 or 5).

This analysis was implemented by a Multivariate Correspondence Analysis with the Optimal Scaling menu of IBM SPSS Statistics (2017).

Multiple Correspondence Analysis is useful for analysing and interpreting multivariate nominal data, and for exploring multiple associations between them in a context of interdependence. In this type of analysis, the purpose is to relate different categories of the variables, building groups and associations, thus allowing to draw the profile of each group and the existence of association or opposition between them. The method is considered a process of dimensional reduction of data, because it allows analysing the relational structure of multivariate data in a space of smaller dimension. The number of dimensions chosen does not restrict the results obtained for the quantification of either the variables or the subjects (objects) (Gifi, 1996).

The SPSS procedure is performed by an optimal quantification process for the categories of the variables and for the objects. Each category is associated with a centroid coordinate and to each object a score is assigned (object score). The principle of reciprocal averages is used by SPSS for quantifications. Thus, the quantification of a category is equal to the average of the scores of all the associated objects and the score of each object

is proportional to the average of the quantifications of all the categories associated with that object. This way, the distance between objects translates the similarity of their profiles. The proximity between objects specifies groups tendency homogeneous. Likewise, the proximity between categories of different variables reflects the presence of objects with similar profiles (Carvalho, 2008).

To interpret the results obtained, it is important to analyse some graphs together with some statistics. Initially, one has to determine the optimum number of dimensions to be retained, and this is essentially accomplished by looking to the eigenvalue and the inertia of each dimension and to the discrimination measures of the variables. The eigenvalue of each dimension represents its explained variance. The inertia is no more than the quotient of the eigenvalue by the number of active variables, ranging from zero to one, with values close to one for the dimensions with more variance explained. As a general rule of thumb, dimensions whose inertia values stand out from the remaining values, or those whose interpretation reveals a relevant dimension, are retained.

The discrimination measures of the variables, allow to evaluate the contribution of each variable in the interpretation of each dimension. They allow to analyse the meaning of each dimension and to validate the number of dimensions retained. These measures quantify the variance of each variable after having performed the optimal quantification of their categories. For a given dimension, the closer to one the value of the discrimination measure of a variable, the more the variable discriminates the objects, hence the most important variables for each dimension are identified. They do not, however, indicate the relative importance of each variable in explaining the variance of the dimension. For this task, one resort on the contribution of the variables to the inertia of the dimension. This way, the most relevant variables and categories are identified, and the variables that contribute the most to each dimension are favoured. If a discrimination measure has a low value, the categories of this variable tend to be close to the origin, and if it has a high value, then its categories tend to have projections distant from each other, and there is a greater possibility of defining different profiles of objects.

In order to select the variables to be included in the explanation of the reduced dimensional space, and in order to prioritize the variables that separate more the different objects, one can take as reference the mean value of the discrimination measures for each dimension, which corresponds to the inertia.

After selecting the variables that discriminate the most, it is necessary to look to their categories. In addition to the relative arrangement of the categories of a variable, it is also necessary to take into account its location, the more their coordinates move away from zero, the greater the discriminatory capacity.

The interpretation should be based on the variables with high discrimination capacity and on the categories that have high quantifications and contributions in the dimensions retained. The associations correspond to quantifications with the same sign and oppositions to quantifications with opposite sign (Carvalho, 2008).

The eigenvalues and the inertia values obtained for each dimension are shown in Table 2. Cronbach's alpha values are also shown in Table 2. To better observe the dimensions that stand out most from the others in terms of explained variance, Figure 2 represents graphically the inertia values of the different dimensions. This graph shows that the first two dimensions stand out in terms of inertia from the others. The same applies to the reliability of the dimensions, given by the values of Cronbach's alpha.

Table 2. Cronbach's alpha, Eigenvalues and Inertia values for the different dimensions

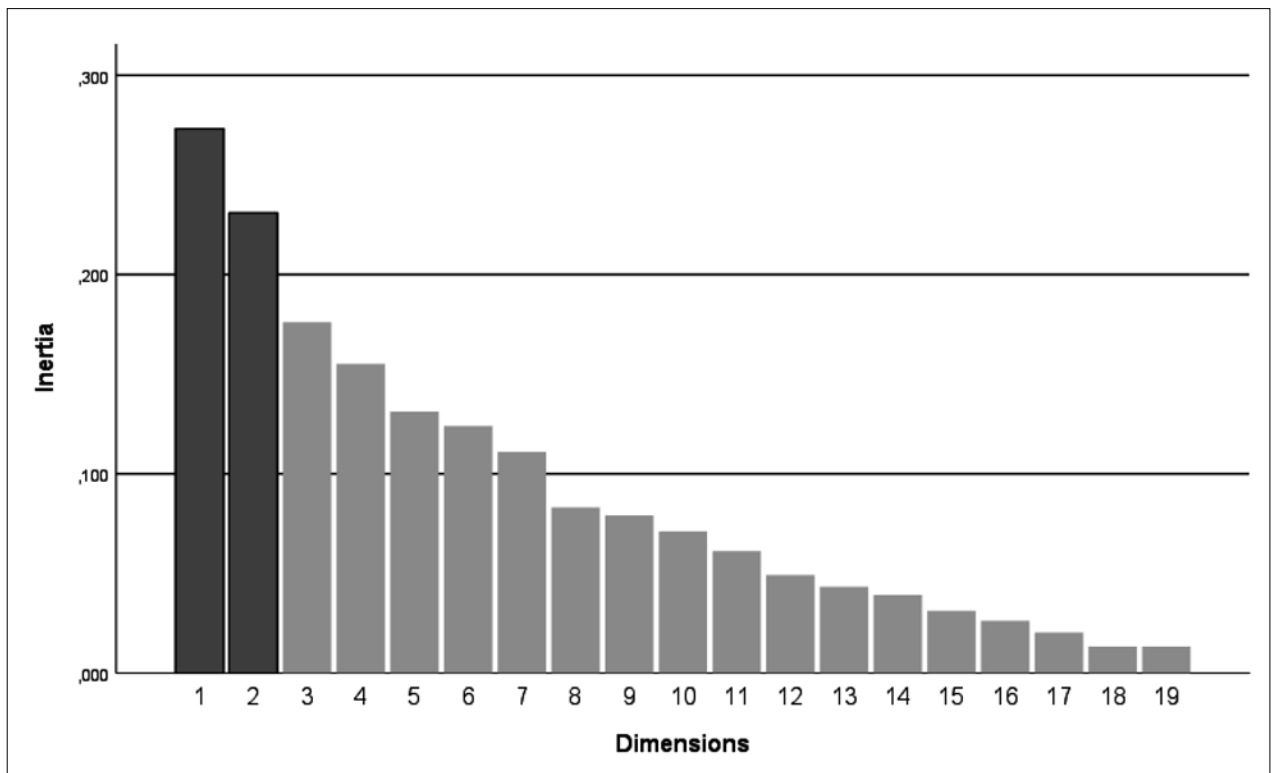| Dimension	Cronbach's Alpha	Variance Accounted For		
		Total (Eigenvalue)	Inertia	
1	,733	3,000	,273	
2	,668	2,545	,231	
3	,531	1,932	,176	
4	,457	1,710	,155	
5	,337	1,442	,131	
6	,292	1,361	,124	
7	,199	1,221	,111	
8	-,099	,918	,083	
9	-,171	,866	,079	
10	-,315	,777	,071	
11	-,542	,670	,061	
12	-,951	,536	,049	
13	-1,251	,468	,043	
14	-1,437	,434	,039	
15	-2,169	,337	,031	
16	-2,818	,281	,026	
17	-3,980	,217	,020	
18	-6,423	,146	,013	
19	-6,732	,140	,013	

Source: Author's own work

Figure 2. Inertia values for the different dimensions.

Source: Author's own work

Analysing simultaneously, the discrimination measures (Figure 3), the quantifications and contributions of the categories of the variables, the plot of the categories of the variables (Figure 4) and the plot of the objects points (Figure 5), it is possible to give an interpretation to each of the dimensions. Thus, the first dimension concerns essentially the project, while the second dimension the attitude as an entrepreneur.

The variable Level of direct competition does not discriminate well in the two dimensions, so it is not a variable that separates between the microenterprises involved in the study. Also, the categories of these variables have projections close to the origin. It may seem a bit surprising that the variable Level of personal motivation does not discriminates the outcome of the business, but in this case, it can be explained due to the fact that none of the respondents rated this item negatively. The variable Level of training or professional experience in the project area, also did not exhibit a substantial discriminatory capacity in any of the dimensions.

The variable measuring the outcome (result), the success or failure of the company, discriminates almost exclusively in the first dimension, that is, only the first dimension allows to separate successful from failed microenterprises. Hence, the variables associated to the profile of successful microentrepreneurs are those that are related to the characteristics of the project, followed, but with less importance, by two variables associated with the attitude as an entrepreneur, Level of training/professional experience in the project area and Level of self-esteem/self-confidence, which, although they do not present values of inertia higher than the value of inertia for the first dimension, they have the highest values among those with values lower than this reference value.

Table 3. Discriminant measures (in bold the values above the inertia of the dimension).

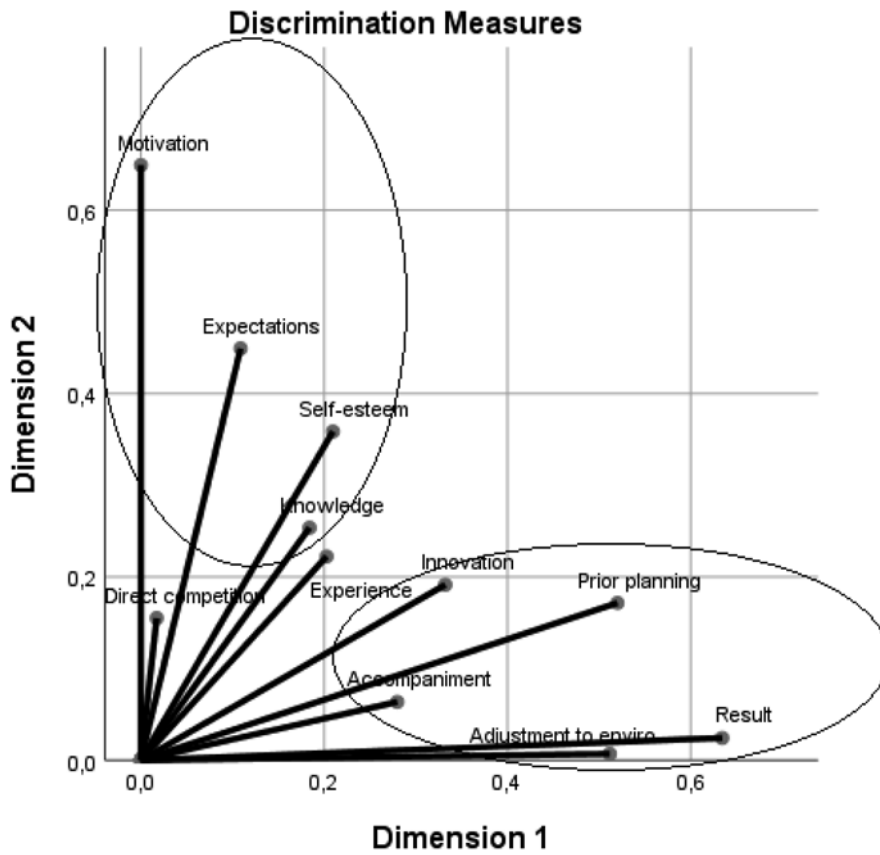|	Dimension	
	1	2
Direct competition	,017	,155
Innovation	,332	,191
Adjustment to environment	,512	,007
Prior planning	,520	,171
Accompaniment	,280	,064
Motivation	,000	,649
Experience	,203	,222
Self-esteem	,210	,359
Knowledge	,184	,254
Expectations	,109	,449
Result	,634	,024
Active Total	3,000	2,545
% of Variance	27,273	23,140

Source: Author's own work

Figure 3. Graph of the discriminant measures for the two first dimensions.
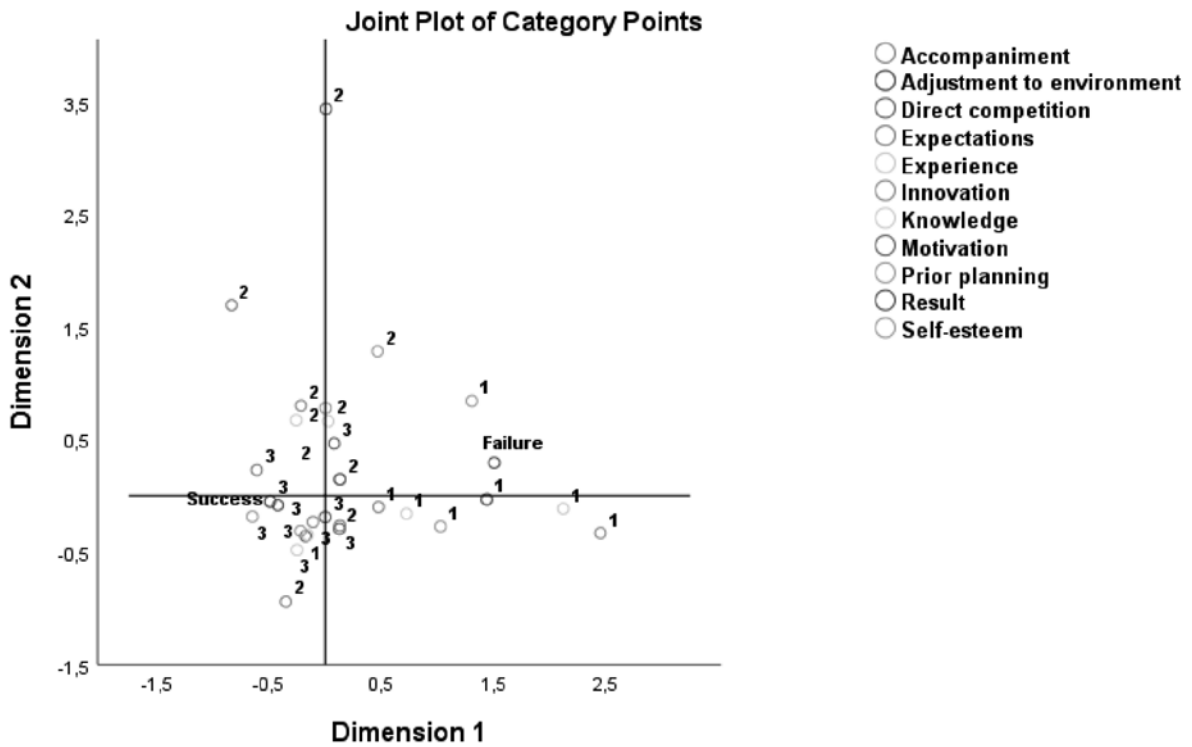
Source: Author's own work

Figure 4. Plot of the categories of the variables.
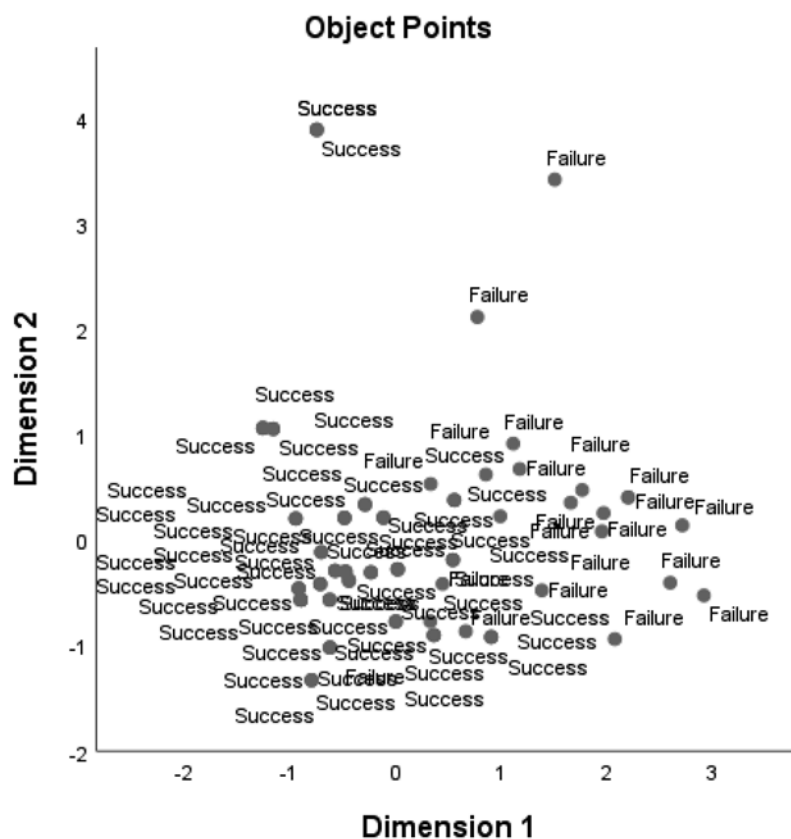
Source: Author's own work

Figure 5. Object points labeled by outcome of the company.

Source: Author's own work

Using a similar methodology to the one used to draw the socio-demographic profile of the successful microentrepreneur, it was found that the variables with significant impact in the success of the company, were the variables relating to the characteristics of the project, with the exception of the variable Level of direct competition, and two variables measuring the attitude as an entrepreneur, Level of training/professional experience in the project area and Level of self-esteem/self-confidence. These results confirm the previous analysis.

Conclusions

Microcredit exists for people who conceive a small business adapted to their skills and know-how, through which they can improve their income and allow them to break with a situation of social and economic exclusion. A well succeed microcredit project means job creation for the economy and a person who became independent and lives under his own responsibility. The person who starts to make money with its own business, stops receiving a subvention paid by public funding; begin to contribute for Social Security System and to pay taxes; and produces positive synergies for social and economic systems. Thus, microcredit is not just a programme for those who are going through an exclusion situation but it is also a public investment in a better society. Indeed, there are strong evidences that microcredit is a tool that makes society more inclusive and more competitive, making people more creative and with more economic autonomy.

This paper was guided by two general research questions: What is the profile of the successful microentrepreneur? What factors contribute positively to the success of business initiatives supported by microcredit? We combined exploratory interviews with key informants with a questionnaire survey to microentrepreneur.

In Portugal, ANDC and CASES has been the driving forces behind this program over the years. It has been tireless in promoting Microcredit by developing initiatives and adding more and more value to the project - Micro-

credit. The interviews with the Presidents of both institutions revealed that the secret of successful microcredit programmes is to believe in the people who are in the place and in their inventive and initiative power, giving them incentives to do better and better. Moreover, the institutional accompaniment and innovation are the bases for the success of a business supported by Microcredit, not leaving aside the entrepreneurial capacity of the individual.

Our study supports identifies the successful microentrepreneur as an individual with a superior degree, already employed, with positive or very positive level for the innovation of the product/service, for the adjustment of the business to the environment, for prior planning and for the accompaniment by public/non-profit institution. In a less degree, a positive level for training/professional experience in the project area and a positive level for self-esteem/self-confidence have also some influence. The results point out that the attitude as an microentrepreneur is less important than the characteristics of the project to the outcome of the microenterprise.

Although the novelty of our research, we recognize the limitations associated to the methodology we follow, Thus, future research should follow a case-control study approach in other to identify the variables that most impact the success versus failure of microcredit initiatives.

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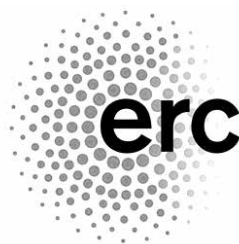
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Mário BASTO is Professor at the Department of Sciences in Higher School of Technology of the Polytechnic Institute of Cávado and Ave (IPCA), Portugal. BSc degree in Medicine from University of Porto, Portugal. BSc degree in Applied Mathematics from University of Porto, Portugal. Master in Applied Mathematics from University of Porto, Portugal. PhD in Engineering Sciences from University of Porto, Portugal. His research interests are applied mathematics and applied statistics.
ORCID ID: orcid.org/0000-0001-9217-1859

José Manuel PEREIRa is Professor of accounting at the School of Management, Polytechnic Institute of Cávado and Ave (IPCA). PhD in Accounting from Vigo University, Spain. MSc in Accounting and Auditing from Minho University, Portugal. Degree in Business Management from Beira Interior University, Portugal. Researcher at the CICF – Research Center on Accounting and Taxation from IPCA. Chartered Accountant. Member of scientific and professional associations. His research interests are: Financial Accounting, Accounting Applied to Specific Sectors, Decision making process, Management accounting, Bankruptcy prediction.
ORCID ID: orcid.org/0000-0003-4344-6937

Eduardo LEITE is Professor of Economics and Management at the University of Madeira. He is co-inventor of the patent "Seaweed extracts, methods and uses thereof". Presently, he is the National coordinator of Poliempreende, training program entrepreneurship with 22 institutions. He participates in European project: H2020 SME Instrument, Project Title "Boost BLUE economy through market uptake an innovative seaweed bio extract for IODINE fortification II", with a total financing of EUR 1,147,826.2. And "INTERREG MAC2/4.6c/365 INTERREG V A Spain-Portugal SABOREA, Canary Islands co-promotion, Senegal, Azores, Cape Verde, Mauritania, Madeira"; total financing of EUR 2,442,627.43.
ORCID ID: orcid.org/0000-0002-4109-3122

Amélia FERREIRA DA SILVA is Coordenator Professor of Management Accounting at Porto Accounting and Bussiness Shool of Politechnic of Porto. She teaches Cost Accounting, Management Accounting and Strategic Management Accounting. Since 2011, she holds a PhD in Accounting from University of Vigo, Spain. Her research interests are: accounting and management control in healthcare, accountability in public organizations, and business failure prediction. Currently, she is the director of a Research Unit acreditated by FCT - Fundação para a Ciência e Tecnologia.
ORCID ID: orcid.org/0000-0002-8366-9863

Marta FERREIRA is the director of Financial Department of a private Goup. She holds a master in Accounting and Finance at Porto Accounting and Business School and a Degrre in Business Management. Her research interest are microfinance and sustainability.
ORCID ID: orcid.org/0000-0002-0701-796X