We believe in you
Report on the impact of microcredits
March 2010
PUBLISHED BY:
MicroBank

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Legal Deposit: B-22777-2010

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Foreword

MicroBank, the Social Bank of “la Caixa”, was set up in 2007 with the aim of channelling and encouraging activity in micro-credits following new parameters of management, rigor and sustainability, in keeping with a financial institution.

Behind this important strategic commitment by “la Caixa”, which made MicroBank the country’s first bank to be specifically dedicated to microfinance, lies the belief that equal access to credit for those segments of the population whose needs are not sufficiently covered by the traditional financial system is an essential element for economic development, job creation, family welfare and ultimately the improvement of social cohesion.

Hence, MicroBank was founded for the twofold purpose of making available to this segment of customers a quality financial option with the ability to contribute value in social terms, and to do so in a sustainable way, thus ensuring the continuity of the project.

Three years after the creation of MicroBank, the expected level of consolidation has been attained. It is now time to assess the impact of operations on the projects funded and the entrepreneurs that supported them.

In this regard, we sought to obtain an analysis carried out by an independent and well-regarded organization that could offer academic rigour combined with a profound knowledge of the social and business spheres.

In this report, the prestigious business school ESADE, which founded Institute for Social Innovation in 2006, presents an objective view of the real impact of the microcredits granted by MicroBank. The report also includes a number of conclusions that have served us as a point of departure to continue to improve the value contribution derived from our activity.

José Francisco de Conrado y Villalonga
Chairman of MicroBank
Microcredits are a fairly novel tool in the field of integration in Spain. Their use and scope have taken a very significant quantitative and qualitative leap in recent years. But as with any other tool undergoing development, although the significance of its impact is felt intuitively, there are not enough studies to actually corroborate this intuition.

Microcredits are undoubtedly a tool with a potential for growth. A tool that can help to create self-employment and start up or consolidate microbusinesses. A tool that facilitates the economic, occupational and financial integration of people with capabilities who lack sufficient resources. Seen from this perspective, microcredits make it possible to exploit the productive potential of societies that need small business owners in order to create jobs.

Thus, microcredits yield important social and economic returns. They contribute to job creation, economic growth and social cohesion.

In an environment marked by economic recession and the presence of immigration, there is also likely to be a major increase in the demand for microcredits.

Given this scenario, we believe that now is a good time for us to learn more about the world of microcredits. It is important to analyse how they work and the impact they have on business and job creation, and to ascertain what socioeconomic changes they have brought for beneficiaries, detecting possible points for improvement with a view to improving their appropriateness, effectiveness and efficiency. This is the purpose of this study, a quantitative report based on a survey taken of a group of business owners who had obtained a microcredit through MicroBank with the support of the collaborating social organisations since the programme began in 2002.

This study is not intended to provide general conclusions on the impact of microcredits, but rather to offer a vision of their value as a tool for business start-ups and job creation in the selected sample, and to shed light on how those interviewed perceive the effect of their microcredit on their quality of life and social integration. We have also sought to gain an insight into the microentrepreneurs’ profile and their level of satisfaction with the programme. In addition, we have included entrepreneurs whose business is now closed, and this has enabled us to go deeper into the reasons for those business closures.

We would like to thank the microentrepreneurs who answered the questionnaire on which this report is based for their helpfulness and dedication. Without their active collaboration, this report would not have been possible.

Report team
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Introduction

1.1. Microcredits, a tool at the service of social cohesion

In recent years we have witnessed an unprecedented boom in microfinance at the international level, especially in the area of microcredits. We have also seen them become a key strategic tool in the fight against poverty and in support of local economic development. Spain has not merely witnessed this boom from the sidelines.

Role of microcredits in a European setting

The “renaissance” of microcredits in Europe came about largely as a result of their success in developing countries. However, European microcredit systems obviously show substantial differences from their “forerunners”.

Built on the same philosophy of encouraging those involved to create for themselves, through self-employment, the means to escape the spirals of poverty or exclusion, microcredits in developing countries and in Europe nevertheless differ in the global structural role they play.

On an international scale, microcredits are presented as a key tool in the fight against poverty. Their purpose is to help to boost household income, and so reduce vulnerability. We should not forget that this tool was originally conceived to be applied in environments in which welfare policies are inexistent, the informal economy is an everyday reality, and difficulties in accessing financial resources under acceptable conditions are endemic. From this perspective, microfinance – understood in a broad sense to encompass other services such as microinsurance, savings and pension funds – stands as the driving force behind a peaceful social revolution. In-
Indeed, the fact that socially excluded and vulnerable groups (especially women, the main recipients of microcredits in developing countries) have access to capital — at reasonable interest rates as opposed to the exorbitant costs often charged by traditional moneylenders — helps to foster social processes that start with the economic self-sufficiency of borrowers and end up generating self-esteem and encouraging new social patterns and behaviours (a higher rate of schooling for children, improvements in health and eating habits, and so on), ultimately breaking down firmly rooted class and gender mindsets and clichés.

In developing countries, microcredit constitutes a key element for transformation. Its purpose is to reach the poorest of the poor, so that they themselves, from the empowerment that economic self-sufficiency and the possibilities of participation engender, can transform their reality.

In Europe, the guarantee of a set of basic welfare pillars (health, education, etc.), the existence of social and income policies and a major social services network make for a different reality with regard to microcredits. And this reality stands in a distinct economic and job opportunities environment from that found in developing countries.

Microfinance appears in Europe primarily as a tool for local economic growth and social cohesion. While the financial, occupational and economic integration of certain population groups is an important objective, it is by no means the only one.

**Microcredits as a tool for social integration**

We cannot ignore the fact that despite the existence of a dense and efficient banking network, especially in Spain, many small businesses and a large number of families have no access to financial services. This financial exclusion is concentrated mainly in poorer sectors of the population and those in a situation of social exclusion.

From this perspective, microcredits are a first-rate element for overcoming one of the key factors for exclusion and reducing the vulnerability of some individuals. Microcredits enable those who receive them to break away from their financial exclusion, thus becoming, if successful, the first step towards overcoming also occupational and economic exclusion. According to the European Commission, microcredit is “a valid tool in facing the poverty alleviation challenge, especially in getting unemployed people out of the welfare system through self-employment”, a useful tool for building a more inclusive society.

In fact, building an inclusive and more cohesive society has been one of Europe’s strategic objectives in recent years. The European Council held in Lisbon in 2000 set the goal for the European Union “to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth (…) and greater social cohesion”. In the words of the Commission, “poverty and exclusion are unacceptable in this Europe founded on solidarity”. In order to overcome them, the Commission proposes what it calls an active inclusion strategy, based on three key elements: adequate income support, access to the job market to facilitate integration and quality social services.

Within this strategy, microcredit plays an important part. It is an element that, if integrated into a set of policies, services and resources, can clearly help to foster the integration of certain population groups.

At this point a series of key questions arise. Are microcredits a suitable tool for guiding the most vulnerable population groups away from exclusion? Which groups can benefit from microcredits? By what mechanisms?

In order to answer these questions it is important to first clarify what we mean when we talk of exclusion and vulnerability.

We understand exclusion as “a concept that encompasses poverty, but goes beyond it”. Exclusion is “impossibility or intense difficulty in accessing mechanisms for personal development and integration into society and the community, and pre-established welfare systems”.1 An excluded person is a person who does not take part in the dynamics of society, who has no access to the benefits it generates.

Our society condemns an increasingly large number of groups of people to social exclusion. But not only that. Our society places many people within what we understand as margins of vulnerability: a situation of high insecurity in which the change of a single element, a single factor, can lead that person rapidly towards social exclusion. Vulnerability narrows the scope for choice. Vulnerability turns people into fragile elements of the system.

We must not forget that exclusion is a complex, many-sided phenomenon. A phenomenon that should not be understood statically, as a permanent situation of inequality, but as a dynamic process. A process of distancing of certain individuals from what would be the centre of society as a result of an accumulation of elements or factors of exclusion.

Exclusion results from several factors. There is generally a single triggering factor, but it takes shape in a number of different spheres of life that are clearly interconnected. Not having a job, having a low income or being in poor health does not inevitably condemn a person to exclusion, but it can be the element that triggers it. Illness, lack of income...
or employment and dysfunctional family relationships, all increase individual vulnerability. When this vulnerability spreads to other spheres of life, it can ultimately move the individual away from the centre of society, subjecting him or her to exclusion.

As we understand it, the full integration of the individual includes being present and participating in the economic and employment sphere, the relational and community sphere, and the political and citizenship sphere (see figure below). The situation of each individual with respect to each of these spheres shows his or her level of vulnerability and degree of exclusion or inclusion.

If we analyse microcredits from the perspective of social inclusion, bearing in mind the range of different factors and spheres of exclusion, it seems clear that in themselves they do not constitute a suitable tool for all excluded people.

Indeed, we would say that microcredits as a tool to end financial exclusion and facilitate self-employment and so encourage the move towards occupational and economic inclusion are only useful for a minority of excluded people: those who are not too far removed from the centre of society and have sufficient personal resources (training, job experience, skills) to go ahead with a business project, even if they need outside support to make it happen.

Source: authors’ compilation, based on texts by Professor Joan Subirats.
This is not to say that microcredits are not a useful tool for fighting social exclusion. The granting of a microcredit is often the trigger prompting the reversal of an exclusion process. However, its indiscriminate use can give rise to serious risks and have opposite effects to those desired. This is why, in general, and with very few exceptions in which financial exclusion is almost exclusively the only exclusion factor to be detected, microcredit should be approached as an integral part of a social intervention programme, a personal roadmap. Microcredit should not be understood as a one-off intervention but as part of an all-embracing integration process structured around those aspects in which the beneficiary shows most vulnerability.

There is nothing new about this. In fact, banks that work with microcredits are quite aware of it: not everyone who would like to set up their own business is prepared or in a position to achieve it. From this perspective, microcredit can undoubtedly be a tool for social integration, but by no means is it valid for all individuals.

Neither should we forget that self-employment continues to be a minority option in Spain. In most cases, job and economic inclusion is reached through salaried employment. Indeed, clearly microcredit can also help to create this paid employment.

Microcredits as an instrument at the service of economic growth

But beyond their value as an element for social integration, microcredits play an important role as an instrument at the service of economic growth. It should be recalled here that difficulties in accessing funding is one of the main obstacles for entrepreneurs in Europe in general and Spain in particular.

Lack of credit asphyxiates the economy. Microentrepreneurs feel this asphyxia in more than just times of crisis. Those attempting to take out a loan to fund the creation of a small business or self-employed status are often beset with overwhelming difficulties.

This difficulty clearly limits the capacity for growth and job creation of the European economies. It should be noted that according to European Commission data, in Europe there are an estimated 21 million microbusinesses – defined as the self-employed and businesses with up to 9 workers – amounting to 92% of the companies in the European Union.

In Spain this figure is even higher. In fact, the Spanish economy is characterised by the small size of most of its businesses. In January 2009, more than 81% of Spanish businesses had two or fewer salaried workers.2

Microbusinesses thus make up the majority of Spanish businesses and provide a large proportion of the country’s jobs. According to Eurostat data, Spanish microbusinesses employ 37.7% of workers in the non-financial economy, higher than the European average of 29.7%.3

These figures give us some idea of the economic and job creation potential of microcredits, understood as a financial tool which makes it possible for a large number of participants in our economy to overcome the difficulties in accessing credit. The European Commission defines a microcredit as a loan of up to €25,000 for entrepreneurial projects aimed at the creation, consolidation or expansion of small businesses or microenterprises.

From this perspective, microcredit is a tool at the service of businesses, and as such encourages business start-ups, productive income and employment. Hence it is a tool that undoubtedly contributes to local economic growth.

Seen in this way, but without forgetting its potential as an element for social integration, microcredit has received close attention within the European Commission’s social and economic agenda. In 2007, the European Commission passed

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2 Directorio Central de Empresas (DIRCE). Instituto Nacional de Estadística.
a directive for the development of microcredits in support of growth and employment, and at the time of writing this report, in March 2010, it has passed a new budget allocation to broaden the European portfolio of microcredits. Microcredits stand as an element that makes an undeniable contribution to economic recovery and enables Europe to advance towards the objectives of the revised Lisbon agenda.

The creation or sustaining of businesses that generate jobs, whether through self-employment or salaried employment, and therefore contributing to economic growth, is one of the main benefits that microcredits provide society. It is a benefit that, despite the inevitable failure of a certain proportion of the financed projects, cannot be questioned.

Social integration and economic growth are thus two complementary outcomes of a tool that makes an undeniable contribution to social cohesion and enables progress towards the construction of the society that many of us desire: a society with more integration opportunities for marginalised population groups, a society with fuller employment that is capable of generating more wealth on a small scale.

### 1.2. The role of MicroBank and the types of microcredits offered

MicroBank, the social bank of “la Caixa”, was started up in 2007 to channel the microcredit activities that had been carried out since 2002 with the support of Obra Social “la Caixa”.

The creation of MicroBank confirmed the commitment to create a social bank to promote the development of economic and social tools and services within the rigour and sustainability parameters of a banking institution.

MicroBank offers its products and services to self-employed and small business owners and entrepreneurs who experience difficulties in accessing the traditional credit system in addition to families with limited income, through a network of more than 5,000 branches and the collaboration of over 400 public and private bodies.

MicroBank specialises in granting microcredits with the aim of fostering productive activity, job creation and personal and family development. The achievement of these objectives makes an important contribution to social cohesion.

With more than 57,368 microcredits granted with a total value of over €380 M, MicroBank aims to be a European yardstick in the microfinance sector through a new model of “social bank” with a sustainable activity.

MicroBank offers three types of microcredits:

- **The financial microcredit** is a personal loan of up to €25,000 intended for the self-employed and small business owners – natural persons – who need funding to start up or expand their businesses and to meet their working capital needs. Candidates must present a business plan that will allow the viability of the project to be analysed. At MicroBank no real security is demanded,

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4 However, this study analyses social and financial microcredits only.
5 As of the beginning of 2010, MicroBank has also granted financial microcredits to legal persons.
6 According to the EU definition, small businesses are those that have a maximum of 9 employees.
so it is possible to acquire funding without the need to encumber property.

- The **social microcredit** is a personal loan of up to €25,000 intended for financing self-employment projects promoted by individuals who, owing to their economic position, may have difficulty accessing the traditional credit system. In addition, they receive counselling from a MicroBank collaborating organisation to assist them in defining and developing their business plan.

- The **family microcredit** is a personal loan created to meet a range of different personal needs: housing expenses, integration of new residents (funding dedicated to family reunification or funding of housing in the country of origin), loans for persons with disabilities (for those with temporary or permanent disabilities who may need funding to acquire or adapt elements, remove architectural barriers or contract services) and family situations requiring special attention (meeting any unforeseen but pressing need for funding for the family).

From the beginning of the microcredit programme until 31 December 2009, production of each of the three types of microcredits has been as follows:

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**Total microcredits granted until the end of 2009**

**Number of operations:**
57,368, to the value of €380,126 M

**Social microcredits:**
3,640 operations to the value of €48,531 M

**Financial microcredits:**
10,324 operations to the value of €117,481 M

**Family microcredits:**
43,404 operations to the value of €214,114 M

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As we pointed out at the beginning of this report, the boom in microcredits in Europe in recent years, based largely on the value of this tool for economic and social development, has not been accompanied by impact studies confirming the economic and social contribution of this tool. The difficulty of obtaining reliable data on the impact that access to financial services has in relation to level of income, expenditure or wealth of their users has in many cases led to a lack of systematic evaluation of the performance of both microfinance institutions and the support organisations that facilitate the granting of microcredits.

However, despite the scarcity of data and the methodological difficulties, it is clearly important to analyse the outcome of microfinance programmes in order to determine whether they are meeting all the expectations placed on them, with regard to both their contribution to economic growth through job and wealth creation and their social impact. Furthermore, this analysis should shed light on the quality of the service provided to the user of the microcredit, lead to a more customer-oriented focus, and serve as a learning experience for the organisation promoting the microcredits.

Thus, this study was conducted with this threefold objective in mind: to assess the contribution made by microcredit to business start-ups and job creation, to ascertain what changes microcredit has brought to its beneficiaries, and so to identify factors that might lead to improvements in the service provided. It is the first study to be carried out by MicroBank in order to analyse both the main characteristics of the users of the institution’s microcredits and the progress made by the businesses set up thanks to the microcredit, and also to know their opinion of the changes brought about by their participation in the programme and on the main characteristics of the service.

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7 This figure was revised in 2010, as until then the maximum amount for a social microcredit was €15,000.
Based on the experience of other similar studies, a questionnaire was devised with five main parts:

- Section 1: Information about the business promoted with the microcredit
- Section 2: Information about the microcredit programme (generation of income, loan repayments, etc.)
- Section 3: Perceived economic and sociocultural changes
- Section 4: Satisfaction with the programme
- Section 5: Classification (profile of the entrepreneur)

It is important to stress that quality of life is not measured from an exclusively material point of view, but also includes psychological factors related to the level of satisfaction of microcredit beneficiaries.

The study was conducted based on a randomly selected list of microbusiness owners supplied by the MicroBank team. In total, 180 interviews were performed from July to September 2009 (out of a total of 1,352 calls, which amounts to 1 valid interview for every 8 registered attempts). The fieldwork was done by the firm STIGA.

In order to show all the realities of microcredit, some of the questions in the questionnaire were adapted to include microentrepreneurs whose business had since closed. The aim of this study was not only to measure the impact in terms of experienced and perceived improvements in quality, but also to understand the reasons for the closure of some businesses, so as to improve prevention and/or accompaniment in the future.

Interviews were conducted by telephone, making it possible to collect information more rapidly and at a lower cost. The results of the responses were statistically consolidated to facilitate their analysis.

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**Technical specifications of the study**

180 interviews conducted
1,352 calls (7.5 calls per successful response)
Distribution according to type of microcredit:
- 90 financial microcredits (50%)
- 90 social microcredits (50%)
Timetable: July to September 2009
Margin of error for total sample: +/-7% (confidence level: 95%)
2
Main results of the study

2.1. Profile of the microentrepreneur

One of the aims of the survey was to gain further insight into some features of the entrepreneur’s profile, in order to be able to assess with inside knowledge what type of people benefit from microcredit and to ascertain the areas in which these people may be most vulnerable.

It was also intended to examine whether any aspects of the profile are correlated with a higher rate of business success, in order to provide information that might allow better selection of the potential beneficiaries of this tool. We must not forget, as we mentioned in the introduction to this report, that microcredit as a tool for individual integration is not valid for all profiles. Granting a microcredit to someone who is not prepared for it can be more of a hindrance than a help in terms of their socioeconomic promotion. From this perspective, we believe that it is important to obtain information about the profile of microentrepreneurs who have been successful or who have failed in their business, in order to be able to improve the design of the programmes and so achieve greater impact with this tool.

2.1.1. Profile of the MicroBank microentrepreneur

The information available to MicroBank on its beneficiaries at the time of the survey highlighted some significant differences between social and financial microentrepreneurs, especially with respect to gender and country of origin. Thus, whereas 78% of the beneficiaries of social microcredits were women, in the case of financial microcredits this figure fell to 47%. With regard to country of origin, in the case of social microcredits 53% of entrepreneurs were not born in Spain, whereas in the case of financial microcredits the figure dropped to 34%.

The results of the survey also revealed these differences, which can be explained by the different mechanisms for accessing the respective microcredits. This confirms the complementary value of the two instruments.

However, when analysing the data we should take into account the different ages of the social and financial microcredit programmes (launched in 2002 and 2007 respectively), as this may clearly affect the success rate of the businesses and their size.
The sample yields the following average profile: a Spanish woman aged between 30 and 40, with secondary or higher education, who worked before applying for the microcredit, generally in salaried employment. However, obviously profiles vary greatly in terms of gender, nationality and previous situation.

Given that there are notable differences between the profiles of microentrepreneurs who apply for a social or financial microcredit, we would like to analyse some of the most outstanding aspects of each type of microcredit.

2.1.2. Profile of the social microentrepreneur

If we take a look at the variables, we can draw a number of significant conclusions.

Social microcredit is a tool for fostering the social promotion and self-employment of individuals who, owing to a variety of circumstances, cannot access traditional credit systems, but who have sufficient personal resources (training and skills) to not be considered excluded, yet may nevertheless be vulnerable. Most of them are women, and a significant percentage, although not a majority, are foreign citizens.

The basic objective of most beneficiaries of this type of credit is to achieve social and economic promotion. The creation of the microbusiness does not spell an end to the situation of occupational exclusion for most of the beneficiaries, but it does so in 40% of cases. They are individuals who to some extent are willing to risk their job stability (49% of them are wage earners) for the benefits that they consider that creating their own business will bring them.

Gender correlates with the success rate, as does educational level, but nationality does not, nor curiously does previous experience.
that collaborate with MicroBank, or to the existence of alternative credit systems within these communities, which make it unnecessary for them to resort to the microcredit offered by Spanish banks or other institutions.

Age

The age groups with the largest presence of social microentrepreneurs are those between the ages of 30 and 50, and 30 to 40 is the age bracket with the largest number of social microentrepreneurs.

Household characteristics

Most microbusiness owners live in households comprising three members or fewer, and 44% of them live in households with only two members. However, 63% are financially responsible for a family member, although in most cases for only one person. Thus, these are not large families.

In 50% of cases, the microentrepreneur’s income represents more than 50% of household income. This means that if microcredit helps to increase microentrepreneurs’ income, their households are clearly benefited.

Microentrepreneurs’ income as percentage of household budget

- < 25% of household budget
- 25 to 50%
- 50 to 75%
- Over 75%

<table>
<thead>
<tr>
<th>Number of household members</th>
<th>Number of economically dependent members</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 people</td>
<td>37 %</td>
</tr>
<tr>
<td>1 person</td>
<td>5 %</td>
</tr>
<tr>
<td>2 people</td>
<td>44 %</td>
</tr>
<tr>
<td>3 people</td>
<td>21 %</td>
</tr>
<tr>
<td>4 people</td>
<td>20 %</td>
</tr>
<tr>
<td>5 people or more</td>
<td>11 %</td>
</tr>
</tbody>
</table>
Social microentrepreneurs have a high level of education: over 44% state that they have higher education and a further 30% finished secondary education. The success rate is clearly higher among entrepreneurs with secondary and higher education than among those who only have primary education. Whereas 75% of entrepreneurs with higher education and 74% of entrepreneurs with secondary education are successful, this percentage drops to 50% in the case of entrepreneurs with primary education. These data confirm the need to have a good education in order to successfully operate a business in a context such as ours. Furthermore, they confirm that microcredit, even social microcredit, is an effective tool for supporting individuals who are not in situations of extreme vulnerability; individuals who in fact already have a good foundation of resources and skills with which to integrate. Microcredit is, from this perspective, a support.

Of the microentrepreneurs who started up their business with a social microcredit, 60% were already employed before doing so. The percentage falls to 50% in the case of microentrepreneurs whose businesses have since closed. Microentrepreneurs who risk their livelihood by leaving their previous job to set up a business have more possibilities of succeeding. This may be explained by the fact that in these cases the business idea tends to be clearer, as it is their main source of motivation.

As far as type of work is concerned, it is notable that the majority are wage earners (49%), whereas the number of self-employed is very low (5%). In contrast, in financial microcredits the self-employed account for more than 36% of the sample. Obviously, this difference can be explained in terms of how the instrument is conceived.

Thus, 54% of the sample were not unemployed when they applied for microcredit, a figure that reveals that social microcredit cannot be thought of exclusively as a tool for occupational integration; rather, a large part of its beneficiaries use it for their social and economic promotion. From this perspective, the data demonstrate that as a group the beneficiaries do not show high levels of exclusion, although they may be vulnerable.

**Previous experience**

**Sixty percent of the microentrepreneurs had never run a business before, and among those who had, almost all of them had done so abroad.** In most cases, any previous business was related to the present one. Curiously, and contrary to what one might think a priori, the success rate does not increase with previous experience.
2.1.3. Profile of the financial microentrepreneur

Financial microcredit is a tool that is used primarily by young Spanish microentrepreneurs. They are individuals who, as was the case with social microcredits, have sufficient personal resources to be considered integrated into society. In this case, they show few characteristics of vulnerability, beyond their difficulties accessing ordinary credit.

The consolidation of businesses that are already up and running and economic promotion are the basic objectives of most of its beneficiaries, who in fact are already working before applying for the microcredit. However, there is a significant percentage of beneficiaries for whom microcredit represents an opportunity to get out of a situation of unemployment.

In this case, neither intrinsic motivation nor education seems to determine the success rate. On the other hand, gender influences the outcome, as it did in the case of social microcredits.

Men account for 53% of the entrepreneurs who receive financial microcredits, unlike what occurs, as we have seen, in the sphere of social microcredit, where 78% of microentrepreneurs are women.

Most microentrepreneurs who are granted a financial microcredit are Spanish (66%), whereas entrepreneurs of Latin American origin amount to 22% of the total of the group, a percentage which in this case is almost half what we found in social microcredits. For other regions, the distribution remains very similar to that of social microcredit. Latin Americans, whether because of the channel of access through offices or owing to the necessary requirements, are less benefited by a type of instrument that better suits the needs and characteristics of individuals who have been settled locally for some years.

The different channel of access to microcredit does not appear to favour the use of this instrument by Asians.
The 30 to 40 age group accounts for the largest number of microentrepreneurs, 46%, and there is a significant proportion of microentrepreneurs aged under 30 (almost 20%). This is an instrument that is used primarily by young microentrepreneurs, people who no doubt because of their youth do not have the necessary requirements (guarantees, property, etc.) to access another kind of bank credit.

The microentrepreneurs are fairly evenly distributed over the various educational levels in terms of qualifications obtained, with the exception of those without any education, whose presence in the sample is insignificant. In this case, the success rate is not significantly affected by the microentrepreneur’s level of education.

Most financial microentrepreneurs live in households comprising three members or fewer (57%). However, a significant percentage live in large households (13%). At least one economic dependent is present in 63% of financial microentrepreneurs’ households, and there are two or more in 45% of households.

As we have seen with social microentrepreneurs, in almost 50% of cases their income amounts to over 50% of household income.
Main results of the study

Employment situation prior to applying for microcredit

Over 76% of those who were granted financial microcredit were already in employment before they obtained it. Almost 50% of these individuals were self-employed; in fact, the instrument is intended and designed for the self-employed and small business owners, and therefore these results are logical. However, there is a significant 20% who were unemployed at the time they applied for microcredit.

Out of those who were self-employed, 93% requested the credit in order to expand a business that was already up and running; therefore, this is an instrument that clearly provides support for the consolidation of small enterprises.

Previous experience

Most of those who were granted a financial microcredit had never run a business before, although the percentage of those who had (41%) is significant. Among the latter, the new business was related to the previous one in most cases (around 70%).

Curiously, in the case of financial microcredits granted to a business that subsequently closed, the percentage of people who had had previous experience was 50%, and 86% of these had run a business that was related to their new business.

These data, together with the statistical tests performed, tell us that, despite what might be expected a priori, in the case of financial microcredits, there is no relationship between the success of the business and previous experience.
2.2. Characteristics of the businesses

One of the aims of the study was to find out the characteristics of the businesses set up through the microcredits granted by MicroBank.

By obtaining more detailed information on particular elements, such as size, number of partners, and business sector, but also the geographical scale on which the entrepreneur works and how much time he or she dedicates to the business, we will be able to test some initial hypotheses and so design better tools to support the microentrepreneur. Furthermore, this will provide a reference framework for analysing the results and the success of the businesses funded.

And by analysing these variables in relation to the success rate of the business, we will in turn be able to profile the most successful businesses and improve the selection process for granting microcredits.

In this case, the analysis is performed jointly for both social and financial microcredits, as no significant differences were found between business ventures opened or expanded thanks to one or the other credit.

The businesses funded through social microcredits are what the European Union qualifies as microbusinesses, since they have fewer than 10 employees in 100% of cases. In fact, a large part (60%) consists of businesses that hire no workers, but rather generate self-employment solely for the entrepreneur. There is no significant difference in the number of workers between businesses that have remained in operation and those that have closed. Furthermore, for the most part the entrepreneur works in his or her own business.

The average of workers per business (including the business owner) stands at 1.57.

Family support in the business

Almost 42% of entrepreneurs receive help running the business from a member of the family, which seems to suggest that on the basis of volume of work these businesses could create more jobs, but that their profitability does not allow for it.
Main results of the study

Number of hours worked in the business

- Up to 8 hours: 28%
- 8 to 12 hours: 56%
- Over 12 hours: 14%
- No answer: 2%

In addition to this element, we must take into account the high level of dedication shown by the entrepreneurs. In over 50% of cases, they dedicate more than 8 hours a day to their business, and 14% they dedicate more than 12 hours to it.

Legal status and number of partners

Legal status of businesses created with microcredits

- Self-employed
- Public limited company (SA)
- Worker-owned limited company (SAL)
- Cooperative (SCCP)
- Private limited company (SL)
- Other

Most of the businesses created with a microcredit have no specific legal status and their entrepreneurs are self-employed. The private limited company is the most frequent legal status.

Number of partners in newly created businesses

- 1 partner: 75%
- 2 partners: 19%
- 3 partners or more: 6%

Furthermore, the immense majority of firms belong to one single partner.

Sectors and spheres of activity

- Retail: 41%
- Catering services: 19%
- Services to businesses: 11%
- Health and beauty services: 11%
- Education and training services: 11%
- Construction services: 3%
- Farming: 3%

The retail trade accounts for the largest portion of businesses funded through microcredits (41%). Clothes and food shops form the main option in this area. In the services sector, the area of catering (bars and restaurants) stands out, as do health and beauty services (hairdressing and beauty salons). We also find a significant percentage of services to businesses (consulting firms, administration firms, etc.) which in this case are concentrated mainly within financial microcredits. Small service firms in the building trade make up the remaining 11% of the services sector.

The sector does not determine the success rate of the business.

1 It should be noted that until December 2009, microcredits were granted to the natural persons but not legal persons.
As far as the sphere of activity is concerned, most of the businesses (82%) operate locally (neighbourhood, town), and there are no significant differences on this score between open and closed businesses.

### 2.3. Operation of the businesses

The survey has made it possible, for the first time, to obtain information about how the businesses funded with MicroBank microcredits are run. It provides objective data allowing the evaluation of the results of the programme and its impact.

The information gathered focuses on an objective fact about the current situation of the business – whether it is open or closed – but also on the entrepreneur’s assessment of the situation and the ability of the business to generate sufficient income to repay the loan.

The availability of information about the current situation of the businesses thus sheds light on which variables can influence the success of the businesses, and this knowledge can be used to improve the programme and the guidance given to microentrepreneurs.

### Current situation

Of all the businesses that were started up with a microcredit, whether social or financial, 77% were still in operation at the time of the survey. The survival rate is significant, although the youth of most of the businesses in the sample makes it difficult to compare them with businesses with similar characteristics who have not received support.

The success rate differs significantly between financial microcredits, with 84% still in business, and social microcredits, with 69%. However, the different ages of the programmes prevents us from concluding that one or the other programme is more successful or less so.

Most (57%) of the businesses that close do so in the first two years of their existence. Indeed, this is the period of most vulnerability for microbusinesses in Spain.

The most common reason for closure was the unprofitability of the business, while other reasons mentioned to account for the end of the venture were health problems and a bad relationship between partners.
Assessment of the operation of the business

Approximately half the respondents valued the operation of the business positively (very good or good), and the percentage is higher for financial microcredits than for social microcredits.

Ability to meet loan repayments

In fact, in the case of operating businesses, 100% of entrepreneurs state that the business has generated sufficient income to meet the loan repayments on the microcredit from the beginning of the business. If we consider the totality of the sample, including businesses that have closed, this figure stands at 67%.

If we take another look at the factors that have appeared in the analysis that have a possible influence on the success or failure of the business, we can detect some interesting points. The first is the microentrepreneur’s previous experience. The percentage of individuals who were already in employment before applying for microcredit is higher among businesses that are still operating than among businesses that have closed.

Another important fact is that, curiously, whether the credit is funding the expansion of an existing business or the opening of a new one does not significantly affect the subsequent success of the business, although a slightly higher risk is detected in new ventures.

Turning to other variables such as entrepreneurs’ age or level of education, we see that here too there is no apparent connection with the success or failure of the business, although a very slight drop in the success rate is detected with more advanced age. In the case of educational level, we find very similar percentages of success, regardless of whether the entrepreneur has primary or higher education.

The above are just some examples that help us understand the difficulty of determining the possible causes of success or failure of businesses. It is difficult to isolate variables, and logically in most cases there will be a convergence of factors of greater or lesser importance.
2.4. Impact of the microcredit

One of the central objectives of the study was to make an approximation of the impact of the microcredit. In principle, we focus this impact on three basic aspects:

- Creation or consolidation of businesses
- Creation or consolidation of jobs
- Socioeconomic integration of microentrepreneurs

Notwithstanding the methodological difficulties associated with the direct appropriation of impact – some relationships having multiple causes – we consider that the survey provides sufficient information to be able to offer a first approximation to the impact of the microcredit granted by MicroBank.

Impact on creation and consolidation of microbusinesses

Microcredit stands as a **key tool for the creation or consolidation of microbusinesses**, if we consider the high percentage of microentrepreneurs (75%) who state that without microcredit they would not have been able to start up or expand their business.

The importance of microcredit varies depending whether we are dealing with a social microcredit or a financial one, although in both cases the percentages are very high. **Among entrepreneurs who were given access to a social microcredit, 80% state that they could not have opened their business without this support**, a clearly higher percentage than in businesses funded with financial microcredit (69%).

**Could you have opened the business without the help of the microcredit?**

- I don’t think so (75%)
- Yes, but with great difficulties (14%)
- Yes, but later on (7%)
- Yes, but on a smaller scale (4%)

In fact, microcredit has made it possible to finance a large part of the creation or expansion of most businesses. **In 45% of cases, microcredit amounted to more than 75% of the total investment made.** This percentage is almost identical in social and financial microcredits. The other main source of funding was the microentrepreneur’s own resources.

**What did you use the microcredit for?**

- The microcredit was to open the business (37%)
- The microcredit was to expand the business (63%)

**While 63% of microcredits went towards setting up a new business, 37% were used to expand an existing one.**

This figure differs significantly if we break it down into social and financial microcredits. **Whereas 81% of social microcredits served to start up a new business, the percentage is only 44% for financial microcredits.** These figures are certainly logical, since having a business already operating and presumably running well – otherwise there would be no reason to expand it – probably facilitates access to the conditions of
Main results of the study

the financial microcredit. Curiously, whether the operation is an expansion or an opening does not significantly affect the subsequent success of the business, although a slightly higher risk is detected for new businesses.

Impact on job creation

Microcredit encourages self-employment first, and salaried employment second. In 53% of businesses receiving financial microcredits no worker is hired, and this figure rises to 68% in the case of social microcredits. Therefore, as we mentioned when examining their characteristics, these are businesses that, despite their success, continue to be very small.

Nevertheless, the capacity of microcredit to create jobs is far from insignificant. If we include the entrepreneur, the businesses in the sample generate an average of 1.57 jobs. These jobs undoubtedly also contribute to the integration of other people with whom the microentrepreneur has dealings, and can be yet another channel of occupational integration.

Let us take another look at some of the data mentioned above:

Most microentrepreneurs who start up a business with a financial microcredit run it with just one employee on the books (only 22% of entrepreneurs have two or more employees) and without help from the family, working between 8 and 12 hours a day.

We find the same pattern in the case of social microcredits: 68% of the microbusinesses hire no workers, 15% have one employee, and 16% have two employees or more. The microentrepreneur works between 8 and 12 hours a day on average, and usually works weekends.

It should be noted that in those cases where the microentrepreneur works for someone else, as opposed to in the business created with the microcredit, most consider that the experience provided by the business has helped them to get their present job; therefore, it is a tool that enhances microentrepreneurs’ employability.

Impact on the entrepreneurs’ socioeconomic situation

Do you now feel more capable of facing future challenges?

- Yes, now I feel more capable and prepared: 9%
- I feel equally capable and prepared: 5%
- No, now I feel less capable: 24%
- DK/NA: 62%

The data analysed above show that the positive effects of microcredit are concentrated mostly in a greater empowerment of the individual (in 62% of cases) and a perceived improvement in his or her quality of life. This figure remains fairly stable for both open and closed businesses.

In this respect, note, for example, the entrepreneurs’ determination to start up a new business, despite the failure experienced with the microcredit (i.e., when their business is currently closed).

An improvement in the economic situation is not always achieved (for example, only 50% of entrepreneurs whose business is in operation state that their income has risen), nor is it always possible to avoid situations of vulnerability (the savings rate, even when the business is in operation, is very low, most of the profits being reinvested in the business).
Social microcredits: The income of microentrepreneurs with an open business has risen in 55% of cases, although in 11% it has fallen. In contrast, 54% of microentrepreneurs with a closed business state that their income has fallen since they applied for microcredit, although in 35% of cases it has risen.

Financial microcredits: The income of microentrepreneurs with an open business has risen in 51% of cases, and it has fallen in only 8%. In contrast, 36% of microentrepreneurs with a closed business state that their income has fallen since they applied for microcredit, although 7% state that their income has risen despite the fact that their business has folded.

Nonetheless, 36% of the entrepreneurs who obtained a financial microcredit but whose business has since closed state that they are better off than they would have been without the microcredit (as opposed to 29% who think the situation would be the same and 36% who think they are worse off).\(^2\)

Logically, these figures are more positive when the business is in operation: almost 60% of these entrepreneurs consider that they are better off, and only 19% describe themselves as worse off.

The perceived improvement on a psychological level (regarding the empowerment of the individual and his or her ability to face the future) is therefore greater than that experienced on a material or economic level. In short, 60% of the entrepreneurs interviewed consider that their quality of life has improved, and this figure rises to 70% in the case of entrepreneurs whose business is in operation (furthermore, 20% believe that the improvement has been substantial).

Lastly, positive effects of microcredit are also perceived in relation to entrepreneurs’ perception of their degree of integration into the community. For example, in the case of social microcredits, 50% of entrepreneurs whose business is closed feel that they are more integrated into society, while for entrepreneurs whose business is in operation the percentage rises to 77%.

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\(^2\) We should bear in mind that at present 79% of the financial entrepreneurs whose business has closed are unemployed. Only 21% have found work, and none of them consider that their business helped them to get it. Furthermore, the great majority of them are still paying off the microcredit.
2.5. Knowledge of and satisfaction with the programme

One of the secondary aims of the study was to obtain information about knowledge of and satisfaction with the programme with a view to introducing improvements in its management.

The level of satisfaction with the programme is very high in all cases: for social and financial microentrepreneurs alike, and for both microentrepreneurs whose business is in operation and those whose business has closed (although in this last case the percentage of satisfaction drops slightly, and only in the case of social microcredits, from 95% to 89% approximately).

Collaborating organisations, whether they are social organisations or city councils performing this function, play a key role in disseminating the social microcredit programme. These were the channels through which 57% of these microentrepreneurs got to know about the programme, although other mechanisms such as the office and the general media are also significant in this respect. This situation contrasts with that of financial microcredits, for which the office was the only source of information in 87% of cases.

**Sources of information about social microcredits**

- Through the office: 40%
- Through the media: 17%
- Through friends, family, etc.: 18%
- Through the city council: 8%
- Through a social organisation: 3%
- Others (official state gazette, NGO, Official Credit Institute, chamber of commerce, newspaper): 14%

**Sources of information about financial microcredits**

- Through the office: 87%
- Through the media: 2%
- Through friends, family, etc.: 1%
- Through the city council: 1%
- Through a social organisation: 9%
- Others (official state gazette, NGO, Official Credit Institute, chamber of commerce, newspaper): 0%
The study has provided a more in-depth understanding of some basic data associated with MicroBank microcredits. In this way, we now have more information about the profile of microbusiness owners, and also about the characteristics of the microbusinesses created. The study has also made it possible to gather significant information about the situation of these businesses and the impact that their creation has had on the socioeconomic situation of the entrepreneurs. At the same time, we have obtained an initial evaluation of customer satisfaction with MicroBank and its support organisations.

The information collected thus enables us, for the first time, to draw up an average profile of the microentrepreneur and the microbusinesses created, and to have access to data on the contribution of microcredit to business start-ups and job creation, the success rate of the businesses concerned and the basic impact of microcredits on their beneficiaries.

### Average profile

**Type of business:** service company with no specific legal status, self-employed

**Number of workers (including entrepreneur):** 1.57

**Average value of microcredit:** €11,266

**Average profile of person applying for a financial microcredit:** man aged 30 to 40, with secondary education (although there is little difference with the percentages having higher education and primary education). He is married and without dependents, in most cases worked before obtaining the microcredit, and in 50% of cases is self-employed.

**Average profile of person applying for a social microcredit:** married woman aged 30 to 40, with higher education, and without dependents. She was in salaried employment before starting up her business, and had never run a business before.
By analysing the data and cross-analysing some of the figures, we can draw some conclusions that we believe should be highlighted. Nevertheless, it is important to remember that these conclusions are based on a very specific population group and a very specific sample. Furthermore, they refer to businesses with a short history from which it is not easy to extrapolate data. We do not seek to establish definitive conclusions on microcredit as an instrument. However, we do think that there is evidence of some interesting trends, from which data can possibly be extracted, that confirm the usefulness of the MicroBank microcredit as a tool that combines economic and social promotion.

- **The main motivation** for creating a microbusiness through microcredit is not, as one might think a priori, to escape a situation of unemployment, but rather to **gain social and economic promotion**. In fact, only 30% of individuals who set up a business through MicroBank were unemployed or out of work.

- **Microcredit is a key tool for the creation or consolidation of microbusinesses**, considering the high percentage – over 75% – who state that without microcredit they would not have been able to start up or expand their business. Of the total number of microcredits granted, 63% were to create new businesses. This percentage varies significantly depending whether we are dealing with a social microcredit or a financial one. In 81% of cases, social microcredits have served to open a new business. This figure is very different for financial microcredits, where the rate stands at 44%, the majority of entrepreneurs having destined the microcredit to expanding an existing business. These figures are logical, since in the event of having a business already operating and presumably running well – otherwise there would be no reason to expand it – entrepreneurs could probably gain access more easily to the conditions of the financial microcredit.

- **The survival rate of businesses funded with microcredit, at least in the short to mid term, is significant.** Only 23% of microbusinesses have closed, and it is in the first two years that most businesses close (57% of closures happen during these first two years). Nevertheless, these figures should be treated with caution, as the programme is new and the businesses are therefore young. The survival rate varies by 7 points between businesses that have been created with microcredit and those that have used it to expand. Of the 180 businesses that were created or expanded thanks to microcredits granted to the individuals interviewed, 135 are still up and running.

- **The satisfaction of the entrepreneurs with the progress of their business can also be considered high**, more than 50% stating that the business is operating well or very well.

- **Microcredit allows job creation**: on average, each business in the sample provides work for 1.57 people. No worker is taken on by 60% of microentrepreneurs, 21% take on one worker, and 19% take on two or more.

- **Microcredit has a perceived positive impact on the level of integration into the community, and also on the level of personal preparation** and ability to face the future. Some 62% of microentrepreneurs feel more integrated and better prepared thanks to the microcredit, and this figure differs very little depending on whether the business is in operation or closed.

- **However, the impact of microcredit on income and quality of life is not so clear, and depends to a large extent on the success of the business.** In the case of microentrepreneurs whose business is operating, the great majority – 68% – consider that their quality of life has improved, whereas when the business is closed this figure drops to 36%.

- **Nor is it so clear that microcredit serves as a tool for overcoming economic vulnerability, at least in the short term.** Only 50% of entrepreneurs whose business is operating state that their income has increased, and the savings rate, even when the business is in operation, is very low, most of the profits being reinvested in the business.

- **Foreigners are those with most propensity to resort to microcredit.** The beneficiaries in the sample were foreigners in 44% of cases, and the percentage increases to 53% if we only consider social microcredits.

- **Women account for 62% of beneficiaries of microcredit.** This majority presence of women is particularly significant in social microcredits, where women represent 78% of microentrepreneurs. In the case of financial microcredits, on the other hand, we find a slight majority of men (53%). Therefore, we can say that microcredit, as a tool for combating social exclusion, has a clear bias in favour of women.

- However, if we analyse the survival rate of businesses started up by men or women, we see that, despite the caution we must exercise when drawing conclusions from such a small sample, this figure is higher among men: 83% of businesses set up by men are still in operation, as opposed to 73% of businesses set up by women. This difference exists for both financial microcredits (87% of businesses set up by men still in operation versus 81% of those set up by women) and social microcredits (75% versus 67%).

- **With regard to the profiles of male and female entrepreneurs, no great differences are detected:** in most cases, they are Spanish men or women aged 30 to 40, married and without dependent household members, and already had a job before opening the business. However, among men there was a higher proportion of
self-employed than among women, who were mostly wage earners. This is related to another difference that we observe between men and women: the percentage of men who had run a business before is larger than that of women who had done so, for social and financial microcredits alike. There is also a difference in the level of education: for both social and financial microcredit, there is a larger percentage of women than of men with higher education.

- As regards the type of venture, we can say that both sexes set up businesses with no specific legal status, for the most part operating locally. However, we do find differences in the sector of the businesses, women tending to concentrate in the retail trade (food and clothes shops, beauty services), whereas men are in the majority in services to businesses and construction.
Section 1: Information about the business promoted with the microcredit

Could you tell me what your business does?
........................................................................................................................................ |___|

Is the business still operating? ............

What legal status does it have [or did it have]?
☐ Public limited company
☐ Worker-owned limited company
☐ Private limited company
☐ Cooperative
☐ Self-employed
☐ Other

Legal status of business .................................................................
........................................................................................................................................

Including yourself, how many partners are there in your business?
.................................................................................................................. |___|

Could you tell me in what month and year your business started up? (MM/YYYY) ........... |___| |___| |___| |___|

And when did you have to close it? (MM/YYYY)
........................................................................................................................................ |___| |___| |___|

What was the reason for closure?
☐ It wasn’t profitable
☐ I found work somewhere else
☐ Excessive workload
☐ Family problems
☐ Other

What geographical range does your business have?
[That is, where do your customers come from?]
☐ Neighbourhood
☐ Town
☐ National
☐ International

Was the microcredit you applied for from “la Caixa” to start up the business or to expand it?
☐ Start up
☐ Expand
☐ DK/NA

[As appropriate: initial/extension credit] What percentage of the initial/expansion investment was covered by...
☐ Your own resources? .......................................................... |___|
☐ The microcredit? ................................................................. |___|
☐ Loans from family or friends? ............................................ |___|
☐ Others? ............................................................................... |___|
Do you think you could have opened/expanded your business without the help of the microcredit?
- Yes, but on a smaller scale
- Yes, but later on
- Yes, but with great difficulties
- I don’t think so

What is your present job situation?
- Self-employed in the business
- Self-employed in another business
- In salaried employment
- Unemployed
- Other
- NA

How many employees do you have in the business?

And how many employees did you have when you started it up?

Do you receive help from a family member to keep the business going?
- Yes
- No
- DK/NA

On average, how many hours do you work a day?

Do you work Saturdays and Sundays?
- Saturdays
- Sundays
- Saturdays and Sundays
- No

How would you describe the operation of the business at present?
- Very good
- Good
- Fair
- Bad
- It’s up for sale
- DK/NA

Would you say the business has helped you get your present job?
- Yes
- No
- DK/NA

Do you intend to open another business?
- Yes
- No
- DK/NA

Could you tell me the average annual profits of your business?

Section 2: Information about the microcredit programme

Does the business generate, or has it generated, sufficient income to meet the loan repayments?
- Yes, from the beginning
- Yes, after about a year
- Yes, but with great difficulties
- It depends on the month
- No

Have there been any months in which you have been unable to make the repayment?
- Yes
- No
- DK/NA

What would you say was the reason for your being unable to make the repayment?

Regarding “la Caixa” MicroBank...

How did you first get to know about the institution?
- Through the office
- Through the media
- Through friends, family, etc.
- Through the city council
- Through a social organisation
- Others: please specify
Section 3: Economic and sociocultural changes

Regarding the MicroBank microcredit...

Economic impact

Would you say that your disposable income has increased or decreased because of it?
☐ Increased
☐ Remained the same
☐ Decreased
☐ DK/NA

How have you used this increase in income?
☐ As savings
☐ Or to invest in the business

Approximately how much money have you invested in your business? .................................................................
☐ Various household expenses
☐ DK/NA

In relation to the situation you think you would be in if you hadn’t applied for the microcredit, would you say you are now better or worse off?
☐ Better off
☐ Worse off
☐ The same
☐ DK/NA

Sociocultural impact

Would you say that your quality of life has got better or worse as a result of the microcredit?
☐ It has improved greatly
☐ It has improved slightly
☐ It has remained the same
☐ It has deteriorated
☐ DK/NA

Do you feel more capable and prepared to face the future now than before you were granted the microcredit? [We’re asking whether you feel as if your positioning to face future challenges has improved.]
☐ Yes, now I feel more capable and prepared
☐ I feel equally capable and prepared
☐ No, now I feel less capable
☐ DK/NA

Has the granting of the microcredit contributed to this improvement?
☐ Yes
☐ No
☐ DK/NA

Have you taken any training courses since being granted the microcredit?
☐ Yes
☐ No
☐ DK/NA

What sort of course?
☐ Languages
☐ Professional, related to the present business
☐ Professional, related to some future business
☐ Personal interest
☐ DK/NA

Do you feel more integrated into the community or less so since you opened your business?
☐ More integrated
☐ Equally integrated
☐ Less integrated
☐ DK/NA

Section 4: Satisfaction with the programme

Regarding the services offered by MicroBank...

Are you satisfied with the services offered?
☐ Yes
☐ No
☐ DK/NA

Would you like to make any suggestions to help us improve the service provided by MicroBank as regards microcredits?
Clarity for the respondent: you can propose other services that you’d like to see offered, aspects to improve about services offered at present, etc.
.................................................................................................................................................. | | |
Did you find the procedure to access the microcredit simple or complicated?
☐ Simple
☐ Reasonable
☐ Complicated
☐ DK/NA

[IF SOCIAL MICROCREDIT, ACCORDING TO LIST]
Would you say that the support work done by the organisation that managed the microcredit was satisfactory or unsatisfactory?
[We mean the city council or whatever organisation managed the credit in your case.]
☐ Satisfactory
☐ Unsatisfactory
☐ DK/NA

[IF SOCIAL MICROCREDIT, ACCORDING TO LIST]
Can you indicate some aspect that could be improved?
........................................................................................................................................

[IF SOCIAL MICROCREDIT, ACCORDING TO LIST]
Would you say that the work done by the organisation to draw up the business plan was satisfactory or unsatisfactory?
[We mean the city council or whatever organisation managed the credit in your case.]
☐ Satisfactory
☐ Unsatisfactory
☐ DK/NA

[IF SOCIAL MICROCREDIT, ACCORDING TO LIST]
Is there some aspect that could be improved?
........................................................................................................................................

[IF SOCIAL MICROCREDIT, ACCORDING TO LIST]
Would you say that the support work done by the organisation to follow up the activity once the microcredit had been granted was satisfactory or unsatisfactory?
[We mean the city council or whatever organisation managed the credit in your case.]
☐ Satisfactory
☐ Unsatisfactory
☐ DK/NA

Section 5: Classification

To finish, I’d like to ask you a few questions that will enable us to analyse your answers better. Could you please tell me whether...

...you have applied for other credits since you were granted the microcredit?
☐ Yes
☐ No
☐ DK/NA
☐ Private
☐ Mortgage
☐ For the business
☐ Other

...you have some other financial service contracted, for example:
☐ Insurance? [Car, home, life, etc.]
☐ A savings product? (Pension plan, investment fund, savings account, etc.)
☐ Other?

Could you please tell me your country of birth?
[Drop-down list of countries in order of frequency in universe, provided by MicroBank.]
........................................................................................................................................

Since what year have you lived in Spain?
........................................................................................................................................

What was your employment situation before you were granted the microcredit?
☐ I’d never worked in Spain
☐ I was unemployed and received benefit
☐ I was unemployed but didn’t receive benefit
☐ I was in salaried employment
☐ I was self-employed
☐ I was in casual employment
☐ NA

How long had you been unemployed when you applied for the microcredit?
☐ Less than six months
☐ Six months to a year
☐ One to two years
☐ More than two years
☐ DK/NA
Had you ever run a business before?
- Yes
- No
- DK/NA

In Spain or abroad?
- In Spain
- Abroad
- DK/NA

Was the business on which you used the microcredit related to your previous experience?
- Yes
- No
- DK/NA

Could you please tell me your marital status?
- Single
- Married [Non-marital partnership]
- Divorced [Separated]
- Widowed
- DK/NA

What is the highest level of education you have completed?
- None
- Primary
- Secondary
- Higher
- DK/NA

How many people live in your household, including yourself? [We mean those who form part of your family. If you share a flat, don’t count those who are not family members of yours.]

How many people in your household are economically dependent, that is, have no salary and therefore depend on the income provided by you or other wage-earning members of your family?

Approximately how much do you contribute with your income to the household budget?
- Less than 25%
- Between 25 and 50%
- Between 50 and 75%
- More than 75%

In general, would you say that you can make ends meet?
- Yes, comfortably
- Just about
- No, I can’t
- DK/NA

Could you tell me whether the total net monthly income of your household is above or below €2,000? Including all the income of the household (salaries, rent from properties, interests, etc.).
Household = group of individuals who share both living space and income, not individuals who only share living space.

| < €2,000  | Up to €499 |       | €500 to €999 |       | €1,000 to €1,499 |       | €1,500 to €1,999 |       |
| > €2,000  | €2,000 to €2,499 |       | €2,500 to €2,999 |       | €3,000 to €4,999 |       | More than €5,000 |       |

On average, how much money do you save each month?

Do you usually send money to your country of origin? [On a monthly basis]
- Yes. Approximately how much do you send each month?
- No
- DK/NA

Command of Spanish
- Good
- Medium
- Poor
Social and financial microcredits benefit from a security issued by virtue of the European Community Competitiveness and Innovation Framework Programme.