

*MICROCREDIT – PRODUCTIVE POPULAR CREDIT

Guarantees:

1. Solidarity groups
2. Credit agents
3. Endorsement funds
4. Cooperatives
5. Consigned
6. ICTs (cellphones)
7. Fintechs
8. Positive register

To Overcome
Information
Asymmetries

* See also Stiglitz and Weiss paper and connection with temporal choice and productive inclusion small business&informality



The Brazilian Mystery Why microcredit has a slow advance in Brazil? (1998)

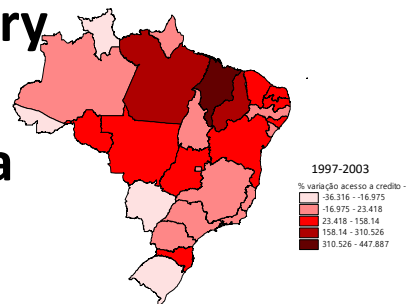
Biases: Consumer, high incomes, Expensive (Spreads), Short Run and Public

Urban
Microcredit
Use 2014
(Up to R\$ 15,000)

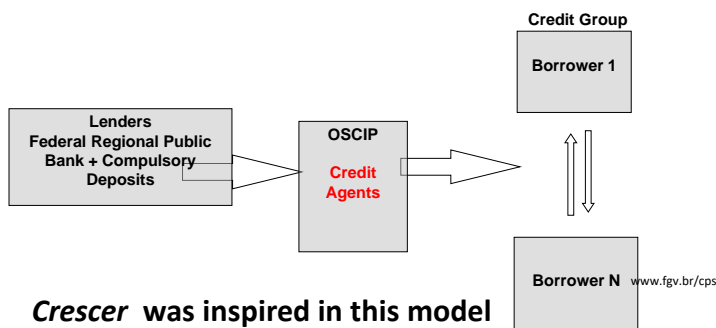
Total	4,00%
Self-Employed	3,16%
Employer	9,94%

The Northeastern Mystery Why Microcredit grew More in the poorest area of the country? (2008)

Change in the Access to
Productive Microcredit



Institutionality of *Crediamigo*



Alignment Proposal: Incubate Cooperatives from the Solidarity Groups (scale-effect). These groups are **well structured financially** with good balance sheets and flows statements.

[Part 4 - The role of the credit advisor](http://www.fgv.br/lbrecps/VIDEOS/cred3/CREDI_3_assessor.wmv)

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Crediamigo Impacts

The Monthly Employment Survey (PME) and *CrediAmigo* allow the longitudinal monitoring of individuals, firms and families. Economic impacts of *CrediAmigo* Salvador and Recife with matching techniques.

The usual performance differential of 7.7% with p-value of 2.1% of customers of *CrediAmigo* vis-à-vis other units covered by PME with the same attributes

Economic Mobility

Business Expansion - *CrediAmigo* clients had chances for moving from entrepreneurs to employers **12.5 times higher** than the population of entrepreneurs, in general.

Classes - In multivariate exercises we do not reject the hypothesis that for **northeastern microentrepreneurs who were initially in Class E, D or C, the access to *CrediAmigo* gave higher probabilities of progression in economic classes scale.** For those initially in class A/B, the effect is the opposite.

1/3 of microentrepreneurs and 2/3 of clients are females

Gender Equality?

Mincerian Equations on Balance Sheets

		A - Dummy Last Period	B - Dummy Female	Interaction between A and B Dif in Dif
Receiving Sales	Estimates	0,3235	-0,2890	4,2%
Gross Profit		0,3058	-0,2275	3,9%
Operational Profit	P- Value of all estimates <.0001	0,3074	-0,2118	4,1%

www.fgv.br/cps

Crediamigo: The Brazilian Grameen

Differences with Grameen: Urban & Public

Similarities:

Sustainability: Low defaults & Subsidies

Impacts in Business and Families

Solidarity Groups

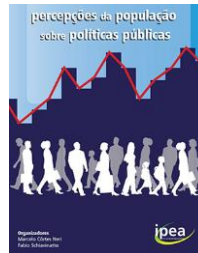
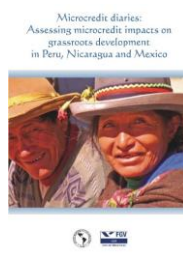
Women: Greater Access & Higher Impacts

Part 1 - [Traditional Crediamigo](http://www.fgv.br/brasil/FGV/FGV/FGV_L_2012_graduacao)

http://www.fgv.br/brasil/FGV/FGV/FGV_L_2012_graduacao



Some Optional References: www.fgv.br/fgvsocial



Vide video-Extra:

http://www.compasso.com.br/midia/empreendedorismo_br.htm

Thank you!