

SCOPE OF MICROFINANCE OFFERS IN ENTREPRENEURSHIP ACCORDING TO MALGACHIAN SME CHARACTERISTICS

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ABSTRACT

Entrepreneurship in Madagascar is at a crucial crossroads, with microfinance playing a key role in the advancement and development of local businesses. Madagascar, with its developing economy and entrepreneurial population, offers fertile ground for studying the interaction between entrepreneurship and financial services for small and medium-sized enterprises. Microfinance, as a tool for economic development, has proven to be a key driver for stimulating business growth and encouraging the entrepreneurial spirit. This study aims to explore in depth the entrepreneurial ecosystem in Madagascar and examine how microfinance services are helping to shape and support this burgeoning sector. Through a careful analysis of the characteristics of Malagasy entrepreneurship and the impact of microfinance, this research aims to unveil the complex dynamics underlying these two elements and identify potential avenues for optimising their interaction, with the aim of fostering an environment conducive to business prosperity.

Key words: Entrepreneurship, SMEs, Microfinance, Supply, Development.

INTRODUCTION

The world is undoubtedly aware of the constructive role played by businesses in development and in the fight against poverty in a country. It agrees that there can be no long-term economic development without well-structured, organised and dynamic businesses, and that sound public management and efficient administration are equally necessary. In recent decades, the concerns of researchers and policy-makers in both developed and developing countries have increasingly focused on the role of entrepreneurship in economic and social development (Boutiller, Uzunidis, 1999).

Developing countries are characterised above all by economic, political and social structures that do not allow them to satisfy the basic needs of their populations; they are mainly subject to massive poverty and poor integration into the world economy. Individuals, communities, organisations and countries are at the same time exposed to disasters and crises due to underlying factors of vulnerability: immediate causes or imminent threats involving a development issue. The underlying factors of vulnerability may be cyclical or structural in nature, and constitute longer-term causes and trends that hamper development potential and increase vulnerability, especially at the economic level.

Entrepreneurship in Madagascar has taken a decisive turn in recent years. Accompanied by ideas driven by globalisation, the promotion of entrepreneurship has become a watchword in the country, with project

competitions and funding granted to the most deserving projects multiplying, with microfinance making its contribution. In these cases, microfinance refers to a range of low-cost para-banking financial services (loans, guarantees, equity investments) aimed at those excluded from commercial banking. Over the last two decades of the twentieth century, microfinance developed strongly, especially in countries with economic difficulties. Microfinance loans are one of the main sources of funding for economic activity, as they help to set up businesses when they are needed. This raises the question of how microfinance offers can be adapted to SMEs to help them develop?

Based on the hypothesis suggesting that the effectiveness of microfinance services in supporting entrepreneurship varies according to the size of the business and the maturity of the sector of activity, the aim of this work is to analyse the impact of microfinance offers in bringing entrepreneurial projects to fruition. Based on the results of an opinion poll of a sample of 256 Malagasy SMEs, statistical tests were carried out to explain not only the characteristics of SMEs that are members of microfinance but also the contribution of these services to their projects.

I- CONCEPTUAL BASIS

According to the Consultative Group to Assist the Poor (CGAP), the term "microfinance" refers to the provision of formal financial services to low-income people, including the self-employed, and to other individuals systematically excluded from the financial system.

In developing countries, microfinance now occupies a central place in development policies. The United Nations has also made a commitment to microfinance, declaring 2005 the International Year of Microfinance. It defines microfinance as the provision of a range of financial services to low-income populations. It thus represents a set of financial services that mainly target individuals and small businesses who are often excluded from traditional financial institutions because of their precarious economic situation, their lack of collateral, or their geographical location.

At the heart of the definition of microfinance is the idea of providing financial solutions tailored to the specific needs of borrowers. It is seen as the provision of loans, money transfers, insurance and other financial services to low-income populations. Micro Finance Institutions (MFIs), which encompass a range of service providers that vary according to their legal structure, mission and methodology, offer these financial services to clients who do not have access to commercial banks or other formal financial service providers (Anne-Lucie Lafourcade, Jennifer Isern, Patricia Mwangi and Matthew Brown, 2005). These solutions are designed to be affordable, flexible and accessible, enabling individuals and micro-businesses to benefit from loans, savings services and financial protection to deal with the unexpected.

It can therefore be seen as a means of providing financial services to people who are excluded from bank-based systems, bringing together different forms of service: credit, insurance, savings and money transfers.

Microfinance plays an essential role in entrepreneurship, particularly in developing countries. Several authors and researchers have highlighted its importance for financial inclusion, empowerment and economic growth.

Microfinance offers not only financial resources but also an opportunity for empowerment and improved living conditions for many entrepreneurs, particularly in regions where access to traditional financial services is limited. According to Nobel Prize-winning economist Esther Duflo, microfinance enables entrepreneurs who do not have access to traditional credit to invest in their own businesses, buy goods or improve their education. This is confirmed by Beatriz Armendáriz, an economist specialising in microfinance, who says that microcredit can act as a catalyst for small entrepreneurs, enabling them to start up or expand their businesses, generating income and contributing to the economic growth of their communities.

II- RESULTS

The results of this research concern the characteristics of SMEs contracting microfinance offers as well as the offers contracted. The contribution of these offers to their projects will then be explained in order to verify the hypothesis.

2.1 Characteristics of SMEs contracting microfinance offers

In order to achieve our research objective, we need to characterise the SMEs that use MFIs to implement their entrepreneurial projects.

Firstly, the sectoral breakdown of the businesses is significant. Nearly half of them (48.4%) operate in the tertiary sector, highlighting the predominance of services within your sample. The secondary sector, which includes industry, is also well represented, with a share of 31.7%. On the other hand, the primary sector, linked

to agriculture, is less common, accounting for only 19.9% of companies. These figures clearly indicate the diversity of business sectors in your sample.

An analysis of the main business sectors, however, reveals that commerce is the most common, accounting for 38.2% of companies, closely followed by industry with 34.4%. However, it is interesting to note that education also accounts for a significant proportion, with 13.4% of companies belonging to this sector. This diversity of sectors highlights the variety of areas of activity among the participating companies.

In terms of legal status, a large majority of businesses (71%) are Sole Proprietorships (SPEs), suggesting that your sample is made up mainly of small businesses run by individuals. Limited companies (SARLs) account for 29% of the sample, while public limited companies (SAs) are not present at all. This distribution of legal forms may have important implications for the structure and governance of the companies included in your study.

In terms of geographical location, around 37.1% of companies are located in rural areas, revealing a geographical diversity. Around a third of companies are located in large cities (31.7%) and smaller towns (31.2%). This balanced distribution highlights the geographical variability of your sample, which may have implications for the challenges and opportunities faced by businesses depending on their geographical location.

Table 1: Predominant characteristics of the research sample

Variables	Type cited as no. 1	Type cited in no. 2	Modality least cited
SECTOR OF ACTIVITY	Tertiary: 48.4	Secondary: 31.7	Primary: 19.9
SECTOR	Retail: 38.2% of total	Industrial: 34.4% Other	Education: 13.4
LEGAL STATUS	independent business: 71.0%	limited liability company: 29.0	SA: 0.0
LOCATION	a rural area: 37.1%	large city: 31.7%	City: 31.2%

Source : Authors, 2023.

In addition, the descriptive statistics table below provides a summary overview of the study sample.

Table 2: Descriptive statistics for the main characteristics of the sample

(Qualitative data)	Mode	Modalities	Frequency by modality (%)	Lower freq. terminal (95%)	Upper freq. terminal (95%)
SIZE	Small	Medium	28,495	22,008	34,982
AGE	4 - 5 years	1 - 3 years	22,581	16,572	28,589
		4 - 5 years	23,656	17,549	29,763
		6 - 10 years	16,667	11,311	22,022
		Less 1 an	18,817	13,200	24,434
		More 10 years	18,280	12,725	23,834
NUMBER_OF_EMPLOYEES	11 - 20 employees	1 - 5 employees	20,968	15,118	26,818
		11 - 20 employees	22,043	16,086	28,000
		6 - 10 employees	19,355	13,677	25,033
		No employee	17,742	12,252	23,232
		More 20 employees	19,892	14,156	25,629
CA_MOYEN	50 000 000 Ar - 100 000 000 Ar	10 000 000 Ar - 50 000 000 Ar	22,043	16,086	28,000
		100 000 000 Ar - 500 000 000 Ar	3,763	1,028	6,498
		50 000 000 Ar -	53,763	46,598	60,929

		100 000 000 Ar			
		Less 10 000 000 Ar	19,892	14,156	25,629
		More 500 000 000 Ar	0,538	0,000	1,589
LOCALISATION	Rural zone	Great city	31,720	25,032	38,409
		Rural zone	37,097	30,155	44,039
		city	31,183	24,526	37,840

Source : Authors, 2023.

It highlights that the overwhelming majority of entities (71.505%) are classified as "Small", while 28.495% are considered "Medium". With regard to the age of the entities, the distribution is relatively balanced, although the age brackets of "4 to 5 years" (23.656%) and "Less than 1 year" (18.817%) are the most frequent. In terms of staff numbers, the sample shows significant variability, with a marked predominance of entities employing "11 to 20 employees" (22.043%) and "More than 20 employees" (19.892%). In terms of average turnover, the majority of entities generate revenues of between "50,000,000 Ar and 100,000,000 Ar" (53.763%), with only 0.538% declaring a turnover of "More than 500,000,000 Ar". Finally, the geographical distribution is relatively balanced, with "rural area" (37.097%) slightly in the lead, closely followed by "town" (31.183%). These data summarise the diversity of the sample, underlining the importance of these characteristics for future analysis and strategic decisions.

2.2 Offers and services requested

Analysis of the correlations between various factors and the choice of services requested from microfinance institutions (MFIs) is essential for a better understanding of the financial behaviour of entrepreneurs. The results highlight the relationships between business size, frequency of use of MFIs and length of partnership with the types of services requested. This analysis provides valuable insights into the preferences and needs of entrepreneurs, as well as the factors that influence their decisions about financial services.

Firstly, it is important to note that there is a significant positive correlation between company size in terms of headcount and demand for services such as loans and training and support. Larger companies then tend to make greater use of these services, perhaps because of more complex needs or greater growth opportunities.

In terms of the frequency of use of MFI services, a significant positive correlation is noted with the demand for loan services. Thus, businesses that use MFIs more frequently are also more likely to request loans. However, no significant correlation with other services such as savings, training and support, or insurance was detected in this study.

Finally, with regard to the duration of the partnership with the MFIs, a significant negative correlation with the demand for loan services was found. Companies with longer partnerships with MFIs were less likely to request loans. No other significant correlation with other services was found.

In short, the size of the business seems to influence the demand for certain MFI services, while the frequency of use of MFIs is linked to the demand for loans. The duration of the partnership also has an impact on demand for loans, suggesting that businesses' financial needs may change over time as a result of their relationship with MFIs. These findings are useful for MFIs and businesses to better target service offerings to the specific needs and characteristics of business clients.

Table 3: Correlations between the size, frequency of use, duration of the partnership and the offers and services requested from MFIs

	19. Borrowings	20. Savings	21. Training and support	22. Insurance
4. What is the size of your company in terms of employees?	0,513	0,459	0,614	0,020
Sig. (bilateral)	0,012	0,424	0,032	0,791
9. How often do you use the services of microfinance institutions (MFIs) to meet your financial needs?	0,108	-0,028	0,002	-0,079
Sig. (two-sided)	0,041	0,708	0,033	0,282

10. How long have you had a partnership with the microfinance institution (MFI) you are currently working with?	-0,626	0,135	-0,099	-0,405
Sig. (bilateral)	0,027	0,067	0,179	0,054

Source : Authors, 2023.

The allocation of loans taken out with Microfinance Institutions (MFIs) is a key aspect of companies' financial decisions. This analysis looks at how loans are allocated for different purposes, such as building up capital, purchasing real estate, acquiring materials and furniture, buying means of transport, purchasing raw materials and paying staff. These choices can reveal key trends in companies' financial strategies and help us to understand how they use credit to stimulate growth or support their operations.

An examination of the responses reveals some interesting patterns in how companies allocate borrowed funds. It is striking that 34.9% of respondents say that loans are moderately allocated to building capital. The majority of companies then use the finance to strengthen their financial base, including expanding operations, developing new products or services, or updating existing infrastructure.

With regard to the purchase of real estate, 22.0% of respondents considered this option to be somewhat affected. It is likely that these companies are looking to invest in property to support their long-term growth, for example by establishing new offices or sales outlets.

The purchase of materials and furniture and the purchase of raw materials appear to be balanced choices, with 28.5% and 24.2% of respondents respectively considering them to be moderately affected. As a result, these companies attach great importance to optimising their operations and the quality of their products.

Conversely, the acquisition of means of transport and staff remuneration appear to be slightly lower priorities, with 23.7% and 22.0% of respondents respectively considering them to be moderately affected.

These findings provide a significant description of companies' strategic choices when it comes to allocating loans obtained from MFIs. The diversity of purposes, ranging from expansion to operational management, reinforces the importance of this funding for a variety of needs. This data is also essential for MFIs, helping them to better understand their customers' needs and adapt their service offerings accordingly. By analysing these loan allocation choices in depth, financial institutions are able to better support entrepreneurs, thereby contributing to their economic development and long-term prosperity.

Table 4: Breakdown of loans taken out with MFIs

Opinions	Not at all affected	Little affected	Moderately affected	Quite affected	Very badly affected	TOTAL
Credit allocation	12,4%	10,8%	19,4%	34,9%	22,6%	100%
23. Creation of capital	22,0%	13,4%	21,0%	21,0%	22,6%	100%
24. Buying property	17,7%	18,8%	17,7%	28,5%	17,2%	100%
25. Purchase of materials and furniture	23,7%	16,7%	22,6%	17,2%	19,9%	100%
26. Purchase of means of transport	18,8%	17,2%	24,2%	17,7%	22,0%	100%
27. Purchase of raw materials	20,4%	20,4%	22,0%	22,0%	15,1%	100%
28. Staff remuneration	19,2%	16,2%	21,1%	23,6%	19,9%	100%

Source: Authors, 2023.

2.3 Conditions of access to MFIs

Access to financial services is an essential pillar for the development and sustainability of businesses, particularly small and medium-sized enterprises. Microfinance Institutions (MFIs) play a key role in this process,

providing the necessary financial resources to entrepreneurs. However, the conditions imposed by these MFIs can sometimes represent a significant obstacle. It is therefore imperative to examine and understand these conditions in depth in order to identify possible sticking points and optimise the accessibility of these essential financial services for entrepreneurs.

The distribution of entrepreneurs' opinions regarding their satisfaction with the conditions imposed by Microfinance Institutions (MFIs) shows important nuances in how these conditions are perceived. This detailed analysis serves to highlight the specific areas where MFIs need to pay particular attention to improve customer satisfaction.

It is undeniable that the minimum and maximum amounts allocated by MFIs are a major point of contention among entrepreneurs. With regard to the minimum amount, 38.2% of respondents were dissatisfied. This may suggest that some entrepreneurs, particularly those starting up small businesses or those needing limited financing, may find these amounts inaccessible or unsuited to their needs. Furthermore, the maximum amount is also a source of dissatisfaction for 41.9% of entrepreneurs, indicating that the amounts proposed may not be sufficient to support larger projects. At the same time, the repayment period was perceived as fairly balanced, with a slightly higher level of satisfaction (42%). However, it should be noted that 34.4% were dissatisfied, which could mean that some entrepreneurs are looking for more flexible repayment terms, adapted to the variable nature of small business income.

When it comes to guarantees, opinions are divided. Collateral can be a challenge for many entrepreneurs, particularly those who do not have sufficient assets to offer it as security for their loans. The distribution of respondents' opinions shows that 40.9% of entrepreneurs are dissatisfied with the collateral required, suggesting that MFIs could consider relaxing their requirements or offering other forms of collateral adapted to the reality of entrepreneurs. Furthermore, repayment capacity seems to be the most contested criterion, with a dominant dissatisfaction rate of 43.5%. It should be noted, however, that if the criteria for assessing repayment capacity are too rigid or general, they may exclude many viable entrepreneurs who, despite irregular income or less conventional financial projections, are perfectly capable of repaying their loans.

Table 5: Distribution of entrepreneurs' opinions on their satisfaction with the conditions imposed by the MFIs in relation to their service

Opinions	Not at all satisfied	Not very satisfied	Moderately satisfied	Quite satisfied	Very satisfied	TOTAL
Criteria imposed	18,8%	19,4%	24,2%	15,1%	22,6%	100%
102- Minimum amount	19,9%	22,0%	21,5%	17,2%	19,4%	100%
103- Maximum amount	15,6%	18,8%	23,7%	22,6%	19,4%	100%
104-Repayment period	18,3%	22,6%	17,2%	22,0%	19,9%	100%
105- Guarantees	23,1%	20,4%	20,4%	17,7%	18,3%	100%
106- Repayment capacity	19,1%	20,6%	21,4%	18,9%	19,9%	100%

Source : Authors, 2023.

The newly identified information shows a relatively balanced distribution of satisfaction and dissatisfaction, with variations depending on the criteria. This distribution indicates that, while there are areas of satisfaction, there are specific areas that require review or adaptation to better meet the needs and realities of contractors.

In sum, these analysis results highlight the challenges entrepreneurs face when navigating the MFI financial landscape. For MFIs to truly support business growth and development, a more nuanced and adaptive approach to service conditions is imperative. Feedback from entrepreneurs, such as that presented here, is essential to guide these improvements and ensure that financial services meet the real needs on the ground.

2.4 Impact of microfinance

The impact study of microfinance institutions (MFIs) looks at the positive or negative influence of these structures on their beneficiaries. By analysing the financial, social and economic aspects of MFI intervention, we seek to assess the extent to which they contribute to improving people's living conditions and achieving financial inclusion.

The results presented in the table reflect the opinions of entrepreneurs regarding the contribution of Microfinance Institutions (MFIs) in the SME sector, focusing on four specific areas of intervention. Each area is assessed on a five-category scale, ranging from "Not at all helped" to "Very strongly helped". Overall, these results significantly indicate that most entrepreneurs feel that MFIs have some influence on their business.

To be more precise, it is important to note that the "Somewhat helped" category shows the highest percentage in each area, ranging from 20.4% to 25.8%. This generally indicates that entrepreneurs feel that MFIs have a significant influence on their ability to start their business, grow it, access the goods they want and solve their problems.

Table 6: Entrepreneurs' opinions on the level of MFI support in the SME sector

Area of intervention	Not at all helped	Little helped	Moderately helped	Quite helped	Very helped	TOTAL
38. Getting your business off to a good start	16,7%	23,7%	19,9%	22,6%	17,2%	100%
39. Developing your business	19,9%	21,5%	11,3%	21,5%	25,8%	100%
40. Acquire the goods you want	16,1%	22,0%	21,5%	20,4%	19,9%	100%
41- Getting out of your problem	19,4%	17,7%	19,4%	23,1%	20,4%	100%
Together	18,0%	21,2%	18,0%	21,9%	20,8%	100%

Source : Authors, 2023.

In contrast, the analysis of variance explores the influence of SME size and location on entrepreneurs' assessment of MFI contributions. The model, with a sum of squares of 1.330 and an F ratio of 0.012, is statistically significant ($Pr > F = 0.002$). This indicates an impact of SME size and location on entrepreneurs' assessment.

Table 7: Analysis of variance of entrepreneurs' overall assessment of the contribution of MFIs in relation to the size and location of SMEs

Source	DDL	Sum of squares	Average square	F	Pr > F
Model	3	1,330	0,443	0,012	0,002
Error	182	6587,854	36,917		
Total corrected	185	41,223			

Source : Authors, 2023.

Analysis of the coefficients of the explanatory variables in our model reveals specific trends concerning the impact of the size and location of SMEs on their appreciation of the services of microfinance institutions (MFIs).

The constant of 2.958, highly significant with a p-value < 0.0001 , indicates a generally positive assessment of MFI services by entrepreneurs. However, when we examine the specific influence of SME size, we observe a negative impact on the appreciation of MFI services, with a coefficient of -0.813 and a p-value of 0.009. SMEs located in large cities have a significantly more positive assessment of MFI services, with a coefficient of 0.209 and a p-value of 0.017. On the other hand, SMEs located in rural areas did not show any significant difference in their assessment compared with those located in towns.

These results highlight the importance for MFIs to take into account both the size and location of SMEs when designing and offering their services, in order to better meet the specific needs of these businesses.

Table 8: Coefficients of explanatory variables in the model of entrepreneurs' overall assessment of the contribution of MFIs in relation to the size and location of SMEs

Source	Value	Standard error	t	Pr > t
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Constant	2,958	0,115	25,720	< 0,0001
SIZE QT	-0,813	0,076	-0,165	0,009
LOCATION-large city	0,209	0,087	2,408	0,017
LOCATION-rural area	0,072	0,083	0,863	0,389
LOCATION-city	0,000	0,000		

Source : Authors, 2023.

These statistics on the characteristics of SMEs and the microfinance products they have access to will make it possible to analyse the contribution of microfinance products according to the type of entrepreneurial project.

III- DISCUSSIONS

Following the hypothesis suggesting that the effectiveness of microfinance services in supporting entrepreneurship varies according to the size of the business and the maturity of the sector of activity, the discussions will turn to the relationship between the characteristics of SMEs and microfinance offerings.

Previous research, such as that conducted by Mersland and Strøm (2009), has already highlighted the significant impact of contextual factors on the performance of microfinance institutions.

Prima facie, the results of the correlation analysis on the reasons for using MFIs and the level of accessibility corroborate the idea that the alignment between the offerings of microfinance institutions (MFIs) and the needs of entrepreneurs plays an essential role in the contribution of microfinance to entrepreneurial activity. These significant correlations between the reasons for using MFIs and the level of accessibility to MFI services reinforce the idea that the availability and accessibility of MFIs influence entrepreneurs' decisions.¹ These findings are consistent with previous research. For example, studies have shown that accessibility to financial services can foster business creation and economic development (Beck et al, 2004). Moreover, the positive impact of MFIs on entrepreneurs is well documented, particularly in developing countries (Armendáriz and Morduch, 2010).

Previous research has also shown that the size of a business can influence its ability to access and benefit from financial services (Morduch, 1999). Small businesses may have different financing needs to large businesses, and microfinance can play a key role in meeting these specific needs (Beck et al., 2007). This accentuates the importance of considering the diversity of businesses and economic contexts when analysing the impact of microfinance.

Furthermore, the maturity of the sector of activity can have an impact on the demand for microfinance services. For example, in emerging sectors, entrepreneurs may need finance to develop new business ideas, whereas in more mature sectors, needs may be focused on growth and expansion. These sectoral dynamics can influence the relevance and effectiveness of microfinance services.

It is important to note that these relationships are complex and may vary according to national and regional contexts. The results will help to shed light on how microfinance services can be adapted to meet the specific needs of entrepreneurs depending on the size of their business and the maturity of their sector of activity.

On the subject of borrowing, entrepreneurs in small SMEs gave an average score of 3.89, while those in medium-sized SMEs gave a slightly lower score of 3.43. This could suggest that the loans offered by MFIs are perceived as more advantageous for small businesses, perhaps because of their flexibility or adaptability to the needs of these businesses.

When it comes to savings, entrepreneurs in small SMEs gave an average score of 3.12, while those in medium-sized SMEs gave a slightly higher score of 3.42. This indicates that the importance of savings within MFIs is perceived in a similar way by the two groups, implying that this aspect could be essential for businesses of all sizes.

¹ Cf In annex

However, when it comes to training and coaching, entrepreneurs from medium-sized SMEs give a significantly higher average score of 3.97 compared with those from small SMEs, who give a score of 3.13. This significant difference could indicate that the training and coaching programmes offered by MFIs are considered more relevant or beneficial to medium-sized businesses, which may have more complex development needs.

When it comes to insurance, entrepreneurs in small SMEs give an average score of 2.95, while those in medium-sized SMEs give a slightly higher score of 3.21. We can therefore say that the importance of the insurance offered by MFIs is relatively stable, whatever the size of the business.

Finally, as regards the impact of the maturity of the sector of activity on the performance of the business after receiving a microfinance loan, entrepreneurs from medium-sized SMEs give an average score of 3.73, while those from small SMEs give a score of 2.85. This significant difference shows that the maturity of the sector of activity may play a more important role in the performance of medium-sized businesses.

In short, these results confirm that the effectiveness of microfinance services varies according to the size of the company and the sector of activity.

Table 9: Distribution of entrepreneurs' views on the impact of SME maturity on their company's performance through MFI offerings

Size/ MFI offer	Small	Medium
19. Borrowing	3,89	3,43
20. Savings	3,12	3,42
21. Training and support	3,13	3,97
22. Insurance	2,95	3,21
68. The maturity of my business sector had an impact on the performance of my business after receiving the microfinance loan.	2,85	3,73

Source : Authors, 2023.

In short, these results confirm that our hypothesis that the appreciation of MFI offers varies according to the size of the company and the maturity of the business sector is validated. Both small and medium-sized companies are interested, but the impact is even more pronounced for medium-sized companies. These results underline the importance for MFIs to take into account the size of businesses when designing their offerings to better meet the needs of entrepreneurs.

CONCLUSION

The relationship between entrepreneurship and microfinance in Madagascar is undeniably strong and mutually beneficial. As this study shows, Madagascar is a rich field of opportunity where microfinance is proving to be a powerful lever for the development of local businesses. The in-depth analysis of the characteristics of Malagasy SMEs, combined with an examination of the influence of microfinance services, has highlighted the essential mechanisms that shape their symbiosis. It is crucial for Madagascar's economic future to continue to strengthen this interaction, thereby ensuring an environment in which the entrepreneurial spirit can flourish and businesses can prosper. The findings of this research offer valuable insights for policymakers and microfinance providers in designing their offerings.

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ANNEX

Table 10: Correlation between reasons for using MFIs and level of accessibility

Reason for using MFIs	Access level
12. No fund ?	0,143
Sig (bilateral)	0,032
13. Insufficient funds	0,137
Sig. (bilateral)	0,016
14. New investment	0,213
Sig. (bilateral)	0,033
15. Expansion of activities	0,116
Sig. (bilateral)	0,016
16. Financial problem	0,615
Sig. (bilateral)	0,037
17. Saving / Current Account	0,019
Sig. (bilateral)	0,034
18. Difficulty obtaining a loan from a traditional bank	0,121
Sig. (bilateral)	0,035

Source : Authors, 2023.