DEVELOPMENT OF A SUCCESSFUL MICROFINANCING SYSTEM - ACTOR-NETWORK THEORY PERSPECTIVE*

*Halina Waniak-Michalak***

*Jan Michalak****

Received: 14. 3. 2019
Accepted: 19. 8. 2019
DOI: https://doi.org/10.30924/mjcmi.24.2.4

Preliminary communication
UDC: 336.77 334

Abstract. *The article aims to answer the following research question: "How were actors mobilized to form a network for promoting microfinancing system in a transforming country?". For this case study, we employ the actor-network theory (ANT) as a lens and interpretation tool. We used the focus research, in-depth interviews, and analysis of documents as sources in our study. The article shows how the different purposes of each actor can affect or hinder the achievement of benefits for all actors. We pointed to the goals and problems they had to achieve to create a network to reach the primary goal which was the creation of a sustainable market economy in Poland. We pointed to the goals the focal actors (government, SMEs, banks, NGOs) had to achieve to create the network and to build a sustainable market economy. The microfinancing network created by the actors works quite successfully. It enables access to capital to entrepreneurs who would not get it from banks. However, unethical acts committed by some actors may cause the system to collapse or change in the future, as actors will adopt different goals and new actors will join in. A change in the method of the guarantee funds' financing, limitation of EU financial resources, changing the needs of entrepreneurs, further transformations of the Polish banking system - all these events may result in the creation of a new network of connections and a new system.*

Key words: *Actor Network Theory, loans, guarantees, banks, SME, transition country*

1. INTRODUCTION

Small firms are likely to face difficult access to external financing due to lack of adequate collaterals and limited financial track records. This issue is particularly important in countries that have transformed a centrally planned system to a free-market economy. In countries like Poland, Czech Republic, Croatia, Hungary, Lithuania, Romania, Bulgaria there are numerous small and medium-sized enterprises (SMEs) founded and operated with low capital.

* The research is financed by the National Science Centre in Poland and is part of a project, entitled "Financing the development of loan and guarantee funds" – grant number 2016/23/B/HS4/00348.

** Prof. Halina Waniak-Michalak, Ph.D., University of Lodz, Management Faculty, Department of Accounting, Matejki 22/26 90-237 Lodz, Poland, E-mail: halina.michalak@uni.lodz.pl,

*** Prof. Jan Michalak, Ph.D., University of Lodz, Management Faculty, Department of Accounting, Matejki 22/26 90-237 Lodz, Poland, E-mail: jmichal@uni.lodz.pl

SMEs' applications for loans are often denied because of difficulties in assessing their creditworthiness and credit risk (Berger & Udell, 1990). Creditors who believe that SME managers do not have the knowledge to plan investments, analyse competition, analyse cash flows and assess the environmental impact will always assess the credit risk of SMEs higher than large companies.

Credit rationing is present in credit markets due to imperfect information flows. When banks make credit decisions, they take into account interest rates, the potential risk of loans and how their decisions affect the risk levels of loans due to unfavourable choices and moral hazard (see Stiglitz and Weiss, 1981). Besanko and Thakor (1987) argue that the imperfect flows of information prevent borrowers, who plan profitable investments, but do not have sufficient collateral to face credit rationing. It leads to an equity gap phenomenon, i. e. the amount of additional money needed to finance the current activities and investments of enterprises, mainly SMEs. The equity gap phenomenon is used to justify government intervention in credit markets relevant to smaller enterprises. This intervention covers three main types: investment subsidy schemes, loan subsidy schemes and loan facilities, including loan guarantees. This article focuses on credit subsidization schemes and loan guarantees, provided by specially formed organizations – credit and loan funds.

Poland is an example of developing a well-functioning and sustainable system of loan and guarantee funds. Actors managed to build a stable network. This network will face a new challenge as European Union will probably limit the amount of money spent on financial aid for SMEs in the new financial perspective due to the Brexit (Levarlet et al., 2018).

The article aims to answer the primary research question - How were the actors mobilized to form a network for promoting microfinancing system in a transforming country? For this case study, we employ the actor-network theory (ANT) as a lens and as an interpretation tool. Two detailed research questions guide this study:

Q1. Who are the focal actors that have been successfully translated into a network of loan and guarantee funds?

Q2. How the process of translation went through?

The rest of the article is organized as follows. The second section reviews the previous studies that investigated the functioning microfinancing funds (loan and guarantee funds). The third section discusses the Actor Network Theory and describes the research methods. The fourth section examines and analyses the development of loan and guarantee funds network from an ANT perspective. The last section presents the conclusion and implications for future research.

2. LITERATURE REVIEW

In many countries, financial instruments programs aimed at closing the capital gap for SMEs are distributed by governmental agencies or bank institutions. There are two main types of such programs: subsidized loans and guarantees schemes. Both of them should foster entrepreneurship, increase the number of start-ups, speed-up SMEs growth and change banks' attitude to lending. The institutions granting the loans should concentrate more on consumer relations than on financial analysis of the company and assets valuation (Cowling, 1998, p. 157). For example, in the UK, loans for SMEs are co-financed by the government, but distributed by private organizations, such as Black Country Reinvestment

Society[1], Business Enterprise Fund[2], Prince's Trust and Let's Do Business (South East) Group Limited. Under the program called British Business Bank, in the years 2009-2014, over 21 thousand loans for SMEs worth £2,192,000, secured by government guarantees were granted. The average loan secured through this program amounted to £102,100 during this period.

Subsidized loans programs and especially loan funds seem to be less popular than guarantee schemes. In most countries where subsidized loans programs operate, they are offered by state-owned banks or other state-controlled entities. Such organizations are Austria Wirtschaftsservice GmbH (AWS) and Österreichische Hotel und Tourismusbank GmbH (ÖHT) in Austria, Czech Moravian Guarantee and Development Bank, the Czech Export Bank and Export Guarantee and Insurance Corporation in Czech Republic, Vaekstfonden- Danish Growth Fund in Denmark, Banque Publique d'Investissement (Bpifrance) in France, Hungarian Development Bank- in Hungary ABN Amro, BNG, ING, Rabobank, Caixa Geral de Depósitos S.A. (CGD), Slovak Business Agency in Slovak Republic, etc. In some countries, subsidized loans are provided by a not-for-profit organization supported by banks, including Microfinance Ireland in Ireland and Qredits in the Netherlands. A relatively bigger number of organizations exist in Hungary and Poland. In Hungary, there are 22 microfinance organizations - controlled by a The Hungarian Foundation for Enterprise Promotion. All these entities are members of the Hungarian Microfinance Network.

An example of a failure lending scheme is Tunisia case described by Bechri et al. (2001). This case shows how actors in the network can cause failure. Three main actors participated in the development of the FORPRODI program created in 1974: banks, SMEs and state-owned credit guarantee scheme (FNG). In the early 1990s, the program was found to be unsatisfactory and was terminated. All three actors had their role in the failure of the sustainable lending system for SMEs.

Banks were the organizations supposed to grant the loans to SMEs. Private banks were rarely interested in the program as financial benefits (subsidy to interest) were low and there was a relatively high share of credit risk (not all risk was covered FNG). Consequently, most of the banks were state-owned commercial banks. Lack of competition among banks, unionization of bank employees led to a relatively low level of skills and engagement of bank officers participating in the program. It resulted in very lengthy procedures of loan approvals - up to 15 months for a FOPRODI project to reach the production stage (Bechri 2001 p. 302). Moreover, the banks rarely undertook thorough screening and monitoring of their loans.

SMEs were the beneficiaries of the subsidy in the FOPRODI projects. FOPRODI entrepreneur could have got a lower interest rate than they would under market conditions. An entrepreneur could benefit from a long-term loan at start-up for up to 70% of the initial capital of the firm, vastly outweighing the entrepreneur's contribution that could be as small as 10% of the initial capital. It meant a low possible loss for a SME. Both reasons created an incentive for fraud, embezzlement, and waste. Some of them decided to use the money from subsidized loans for the purchase of personal

[1] http://bcrs.org.uk/loan-process/ accessed: 15 May 2015

[2] http://www.befund.org/about-us/ accessed: 15 May 2015

use items (like cars and houses) rather than for the declared use. Moreover, long waiting time lead also to the failure of some financed projects due to the changes in the economic environment.

The third actor was Tunisia's Credit Guarantee System "Fonds National de Garantie" (FNG), created in 1981. FNG received its funds from a flat rate charge of 1% of all FOPRODI-supported loans. In the first period until 1993 its secretariat was located within the central bank. It was a tiny unit lacking technical and organizational resources. As such, it was unable to appropriately appraise the claims coming from banks.

Guarantee funds and schemes[3] are created in many countries to help small and medium-sized enterprises (SMEs) to obtain bank loans and increase their creditworthiness. They are considered a better tool than loans because the guarantees allow using the private capital (bank loans) thus overcoming the obstacles for the financing, such as the lack of collaterals and high risk of bankruptcy of small and young companies. Such schemes and funds are operational throughout South America, Europe, Southeast Asia, and North America, as described by Llisterri (1997). Guarantee funds provide guarantees for banks, taking into account the risk of insolvency of the company requesting the loan (Sanneris, 2015). Guarantee funds, apart from the guarantees, support their customers in filling in the documents related to obtaining a loan and organize additional training. Guarantee funds taking over part of the credit risk often decide to monitor the borrower, which is an added benefit for banks to work with these funds. However, the role of guarantee funds is to limit market imperfections manifested in the increase in the cost of capital for small and young companies (Garcia- Tabuenca & Crespo-Espert, 2010). However, subsidised guarantees and loans do not reduce financing costs, until SMEs reach the level of development of other companies (Garcia- Tabuenca & Crespo-Espert, 2010, p. 114). The best effects of guarantee funds are visible in less developed regions (Armstrong et al., 2014) and with weaker companies (Garcia-Tabuenca, 2008; Crespo-Espert, 2010).

Guarantee schemes are organized in two different ways: mutual guarantee schemes or public guarantee programs. The former is based on the capital, paid in by members of the guarantee fund, who can then benefit from the guarantees of the fund (Columba, Gambacorta, & Mistrulli, 2009). Mutual guarantee funds are developed in countries with a long tradition of guild or craft and with sectorial organizations facing economic problems (Camino & Cardone, 1999), such as Austria, Belgium, Denmark, France, Luxemburg, Italy, Portugal, Spain, and Switzerland. Other countries created guarantee schemes funded with public money, typically EU funds, including Greece, the Netherlands, the United Kingdom, and Poland. Some researchers underline that private capital and a private share in the risk decrease the loan losses; however, others claim that when a decision is left to government employees, less attention may be paid to fair risk assessment (Beck, Klapper, & Mendoza, 2010).

Guarantee funds in different countries adopt different business models (Beck at al., 2010). Their organisational structures, risk assessment and management methods, valuation mechanisms and the role of

[3] In some countries, such as Poland, the schemes are realized by specialized organizations - guarantee funds. Moreover, one fund may offer few schemes. In other countries, such as the UK, the same schemes are offered by varius organizations, including commercial banks and specialized NGOs.

the private and public sectors differ. Older funds and guarantee schemes are more likely to be financed by the government and managed by governmental organisations, as well as having higher loan losses. Therefore, their efficiency and financial stability play a key role in the evaluation of the whole support system for SMEs.

In most countries, loans and guarantees are granted by different institutions. They work independently and follow diversified rules. In Poland, the guarantee and loan schemes were organized in the same period, use the same sources of financing and are run by the same type of institutions. Even the same number of guarantee and loan granting institutions was to be created. The case of Poland shows how actors were mobilized to form a network for promoting the microfinancing system, obstacles they encountered and how they succeeded in reaching their goals.

3. THEORY FRAMEWORK AND METHODOLOGY

Actor-network theory (hereafter referred to as "ANT") is rooted in sociological research conducted during the 1970s. ANT was initially developed by Bruno Latour, Michael Callon and John Law as a method to understand the social construction of science (Callon, 1986; Latour, 1987). ANT is a material-semiotic method, mapping relations that are simultaneously material - between things and semiotic between concepts. ANT was utilized in a wide range of disciplines including economics (Bledin and Shewmake, 2004, Callon and Muniesa, 2005), organizational studies (Hull, 1999) and accounting (Lowe 2001, Pipan and Czarniawska, 2010). ANT assumes that society is made up of associations between actors. The actors are defined by their place within the network and their relationship with other actors. This assumption enables the researcher to ignore divisions within society that may be considered to be foundational and to explore how the networks grow and what material practices are brought to bear (Law, 2007).

Unlike Social Network Theory (SNT) that regards network as "a structure," ANT views network as "dynamic process." Actors in ANT are widely understood. They include individuals, but also groups, texts, technical artefacts, organizations, animals. Actors considered within the network act or make a difference within the network (Lowe, 2001). These networks change in an ongoing process of creating and remaking. It focuses on how networks of actors form, hold together, and fall apart (Pipan and Czarniawska, 2010; Callon, 1986). However, it does not attempt to explore why a network exists (Latour, 1987). Instead, ANT aims to explain how heterogeneous actors perform to form networks. Consequently, actors are not structured into any system but act as a coordinated network. ANT does not account for pre-existing structures like social network theory (SNT).

Callon (1985) states that ANT is based on three main principles: agnosticism, generalized symmetry, and free association. Agnosticism means impartiality between actors engaged in controversy and abstention from censoring the actors when they speak about themselves or the social environment. Generalized symmetry is the commitment to explain conflicting viewpoints in the same terms and treatment of both human and non-human actors in the same way. The free association assumes the abandonment of all a priori distinctions between the natural and the social. The use of the principles occurred to be hard even for the creators of ANT. Collins and Yearley (1992) were critical about Callon's application of the generalized symmetry principle in the case of non-human actors (scallops).

Translation is a focal element of ANT (Callon, 1986). Translation is the process during which innovators attempt to create a central network in which all the actors agree that the system is worth building and defending. Callon (1986) identified four phases (originally called four moments) in the translation: problematization, interessement, enrolment, and mobilization. During the first phase, problematization, the primary actor attempts to identify the problem, the knowledge that is required, and what actors are needed within the network to achieve their goal. Interessement is the second phase of translation. During this phase, primary actors try to build the system. They conduct negotiations regarding the roles they may play within the network. Negotiations lead to enrolment. In this third phase, actors accept the characters they have been given and enrol in the system. Mobilization then occurs, as others external to the network (allies) decide to support it. Actors are persuaded that their interests are aligned with those of the focal actor, thereby avoiding betrayal; this allows the network to be maintained. This process is not unproblematic. Controversy may unsubscribe the actors or remove the support of the external allies – such acts are often perceived as treasons (Callon, 1986).

The original methodical approach used in ANT is based on the rule: follow the actors. The primary sources of data in ANT are interviews and ethnographic research; the latter uses texts and communications from all forms of media.

We used the focus research, in-depth interviews, and analysis of documents as sources in our study. Focus meeting was held on 23.11.2018. It lasted 2.5 hours. Seven people from 7 organization participated (please see Appendix 1). It started with a summary of statistical analysis on the performance of loan and guarantee funds. Next, the following questions were asked:

1. How were the loan and guarantee funds created?
2. How did they change over the years?
3. What were the main problems during the loan and guarantee fund's creation process?
4. What affects the performance of the loan and guarantee funds?
5. What are the barriers in the development of the loan and guarantee funds?
6. Will the guarantee funds be able to continue their activity?

The focus meeting was video recorded and then transcribed. As the topic of network creation was not fully covered by answers during the focus meeting, we decided to conduct two additional interviews with two focus participants. The first in-depth interview was face to face meeting in the headquarters of the loan fund. It lasted three and a half hours. The second was a phone interview. It lasted one and half hour. Both interviews were recorded and transcribed (please see Appendix 2).

We also used the information from reports of National Association of Guarantee Funds, Polish Association of Loan Funds for the years 2008-2017 and information in reports of the State on public guarantees in Poland (*Information on guarantees*, 2017) for the years 1999-2017 and interviews published in newspapers.

4. TRANSLATION PROCESS

4.1. The problematization (1988-1990)

The phase of problematization lasted in the period 1988-1990. At the end of the 1980s, it was noticed that in Poland a centrally planned system based on public ownership is inefficient. At the end of the communist system in Poland, the banking system in the country was monopolized, obsolete and inefficient. At that time, there was a central bank and Poland, there were about 1500 local cooperative banks, but none of them was able to carry out efficient lending on a bigger scale. The problem was also a growing inflation, which in 1990 reached 600 per cent. The communist government attempted to reform it, among other methods, by adopting the act on economic activity, prepared in 1988. The act legalized private business activities. It operated on the principles of “what is not forbidden is allowed” and “let it act” (Kaliński 2015). Another reforming activity was the separation of banks from the central bank structures (Narodowy Bank Polski).

The reforms accelerated after the loss of power of the communist party. The new government adopted a plan aimed at stabilizing the macroeconomic situation (primarily to reduce inflation) and transforming it from a centrally controlled economy to a market one. This plan, consisting of 11 acts, was called the Balcerowicz’s plan. The goal of the plan was to reduce the budget deficit and to slow down the money supply growth. It embraced a radical reduction of subsidies, especially for energy carriers, drastically increasing the price of coal, gas, and electricity by three to four times. To encourage saving in the national currency, the interest rate on bank deposits was increased. It entailed a rise in credit costs - interest rate reached 38-46%. Market-based pricing for 90% of the prices was allowed (Kaliński 2005).

The aim of reforms was also privatization and promotion of entrepreneurship. Entrepreneurship was also partly enforced by the side effects of reforms - the collapse of large state-owned enterprises, which led to the increase in unemployment and the general lack of certain goods and services. A number of registered unemployed persons rose from 0[4] to 1.1 million in this period.

At the same time, the changes concerned the banking sector. The law on the National Bank of Poland and the Banking Law were passed. Based on them, banking supervision institutions and nine state-owned universal banks were established. Those banks took over deposit and loan activities from the central bank (Appezeller 2002).

The aim of reforms was also privatization and entrepreneurship promotion. Entrepreneurship was also partly forced by the side effects of reforms - the collapse of some large state-owned enterprises and the increase in unemployment and the lack of many goods and services on the market. The number of enterprises grew from less than 600 thousand in 1988 to over 1.26 million in 1990.

At the beginning of the transformation of Polish economy, loans for entrepreneurs or individuals were difficult to access and very expensive. Bank credits were either unavailable or they could be obtained with very high interest rates for most of the entrepreneurs. The lack of rules for assessing creditworthiness, high inflation, and negative experiences of entrepreneurs in the early 1990s (interest rates on loans exceeding 100%) resulted in their reluctance to use debt to finance investment plans. It was obvious that economic development depends on small business. Therefore, the goal to increase the number of small businesses in Poland

[4] There were no registered unemployed in centrally planned system. However, hidden unemployment existed.

became one of the most important targets for the Polish government. The Interviewee 1 mentioned one of the more serious cases where a director of one of the cooperative banks granted several dozen loans for the mortgage of the same property. The dishonesty of some bank employees has led to the bankruptcy of cooperative banks, and a sense of injustice spread among entrepreneurs. The directors of local units made decisions on granting loans, often to their acquaintances, for the same collaterals.

Three focal actors were active in the first phase of the translation process: entrepreneurs, Polish and foreign government institutions, and banks.

The first focal actor were entrepreneurs wanting to start and develop their businesses, lacking capital. The problem were high interest rates and the reluctance of banks to grant loans to entrepreneurs they did not know.

The second focal actor were Polish banks, which started to operate under market conditions and serve their customers that way. The banks wanted to earn money, but before that, they had to learn how their activity should be organized in a free market economy. The problems were caused by other actors – bank employees who wanted to fulfil their interests, especially to get as much money as possible for themselves. They were not interested in the efficiency of the banks and the welfare of the country.

The third focal actor were the Polish and foreign government institutions, which wanted to develop a free market economy in Poland.

4.2. Interessment (1991-1992)

Until 1992, as a result of liberal licensing policy, 70 commercial banks were established in Poland. Those banks were set up by both private, municipal and the state investors. State administration units created banks for the implementation of socio-economic goals. Municipal and communal units established banks aimed at financing enterprises from selected economy sectors or to support the development of a given region. In both cases, however, these banks were small, and not efficient in comparison to big universal commercial banks. In the period from 1990 to the first half of 1992 foreign investors established new banks (7 joint-stock companies with a majority share of foreign capital and three branches of foreign banks) (Appenzeler 1992). At the same time, some commercial banks started to increase their capital by IPOs and subsequent issues of shares.

At the beginning of the 1990s, Polish banks needed the know-how, employees, capital, technology, infrastructure. Bank employees started to feel the pressure of the society, investors, government. In 1990, in Poland, the National Bank of Poland restored the traditional functions of the central bank. At the second level were over 1700 banks representing various forms of ownership, including: state banks, state-cooperative banks, state banks in the form of joint stock companies, state banks with private capital participation, banks with foreign capital participation and cooperative banks. It was obvious that something had to be changed. Very small banks did not have enough capital to issue the loans and satisfy local capital needs. “That time every big village had its cooperative bank” stated President of Polish Banks Association.

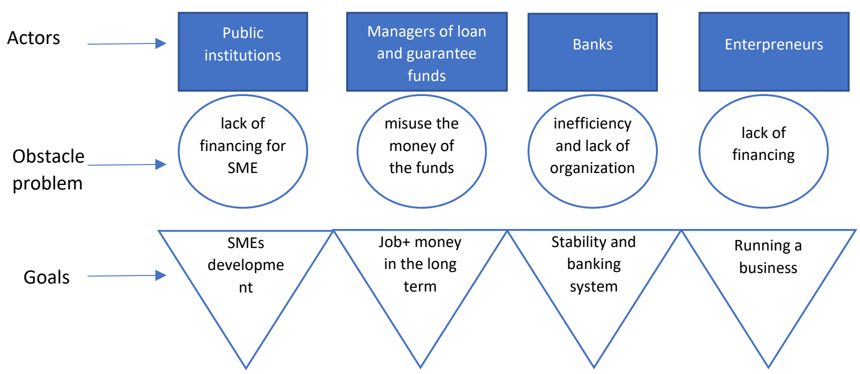
Banking was transforming and becoming more professional. The branches of foreign banks used procedures applied in countries with a developed market economy. Bank employees went through extensive training. Banks implemented new creditworthiness assessment procedures which cut off access to capital for many small enterprises. Banks began to cooperate. In 1991 the Polish Banks Association was set up. Soon after, central registry of credit history was activated in order to prevent banks from frauds and the issue of loans with weak collaterals.

Opening a business was relatively easy. Because everything was lacking and there was not much competition, many companies were successful. According to Interviewee 2, the 1990s were times when "whatever the entrepreneur touched, it was working." The important problem that had to be overcome was access to capital. The problems were: lack of experience, lack of specific competencies and, to a large extent, lack of access to capital. Because of the dominant public ownership in the previous economic system, citizens did not have assets that could serve as collaterals for loans. At the beginning of the transformation period, inflation was high. It caused liquidity problems and discouraged savings.

The problems described above were noticed by public institutions, including the Polish Government, the World Bank, European Community, U. S. Congress. The proposed solution of the credit gap problem was the creation of loan and guarantee schemes in Poland. This task was assigned to organizations, created by people that had experience as entrepreneurs or bank employees (managers of loan funds). They were asked to set up associations that were to run loan funds for people wanting to start or develop their businesses. Public institutions were interested in creating Polish small business, while managers of funds were interested in fulfilling their personal goals (gaining new income source and career development possibility). One of the problems that had to be eliminated was the willingness of the candidates for fund managers to get rich fast by being involved in embezzlement. Each fund received start-up capital, which could be used for administrative activities, purchase of materials and equipment. This capital could have been used effectively or misappropriated. The task to create organizations to grant loans and guarantees was entrusted to regional public sector units, which directed it. The CEO selection process was successful. Most of the selected persons created funds, found customers, granted loans or guarantees; the cases of lost funds were relatively rare (10% default rate). Some of them manage funds to this day.

Another problem to overcome was the reluctance of entrepreneurs to indebtedness. Even today entrepreneurs believe that equity is the best source of financing. It is difficult to convince them that the risk of bankruptcy, in the case of funding from external sources is lower than in case of running out of their capital.

Figure 1. Elements of a sociology of translation



The main goal of all the actors was to create a sustainable market economy in Poland that all the actors wanted to profit from in the long term. To reach the goal, all obstacles presented in Figure 1 had to be overcome and goals of particular actors fulfilled. The success of the sustainable network depended on all actors, ability to cooperate. This ability was contingent on mutual understanding and acceptance of different objectives of actors. They had to answer the question: what should be done and in what chronology to satisfy all the actors?

4.3. Enrolment (1993-2003)

During the enrolment phase, most of the state banks were privatized, and the majority of their share packages were sold to foreign investors. Other essential processes in the banking sector in the analyzed period were consolidation, informatization, and centralization. Consolidation included mergers, takeovers and even bankruptcies of some banks. Informatisation meant the implementation of new, more sophisticated IT systems and further improvement of creditworthiness assessment. It was connected with centralization, in which more and more decisions (including credit decisions) were made at the headquarters of banks. All these processes translated into a more prudent lending policy and further impediments to access to loans, especially for small and medium-sized enterprises. At this stage, the guarantee started to be used as financial instruments securing the loans granted. Banks began to accept this type of collaterals. In 1998 the Monetary Policy Council was created for the purpose of setting the reference rates for all banks and bringing the interest rates to normality.

Unemployment in Poland during this stage remained relatively high (it ranged from 10 to 20 per cent). The reason was the liquidation of big state-owned enterprises, such as Ursus in 1993 (producing equipment for the agriculture industry) or Stocznia Gdańska in 1996 (shipyard in Gdansk). People who lost their jobs often decided to set up their businesses. The problem was the access to capital for the new enterprises. Number of enterprises was growing at a fast pace. It reached 2.11 million in 1995 and 3.18 million in 2000.

During this phase of translation, loan and guarantee funds started to appear as actors, being a result of the policy of Polish government, World Bank, European Union, U. S. Congress, Bank Gospodarstwa Krajowego (BGK). First loan funds were established in Poland in 1992 and guarantee funds in 1994. The sources of financing in the creation of the funds were the following programs:

a. **Small Business Development Project TOR#10.** The program had two editions – the first in 1993 and the second in 1995. The cost of TOR#10 (Small Business Development Project) was covered 60% by the World Bank, and the state budget financed the remaining 40 %. The money came form 74 public institutions, including 34 loan funds and 31 business incubators (Matusiak et al., 2005). Most of them operate until today. More than 50% of the institutions operated in regions with the highest level of unemployment and almost half of them were active in small towns (<50 thousand inhabitants) and villages. The value of the program was nearly EUR 7 mln[5].

b. **Polish-American Enterprise Fund.** In 1989, the U. S. Congress decided to establish the Polish-American Enterprise Fund (PAFP), whose mission was to support the development of the market

[5] 1 EUR= 4,7 PLN for the day 30.12.2003

economy in Poland (culture, education, local initiatives). After five years of operation, PAFP extended the activity by granting micro-credits to entrepreneurs through the newly created organization – Micro Fund. The value of the program was almost EUR 11m.

c. **Canadian-Polish Enterprise Programme.** The Canadian-Polish Enterprise Programme was carried out under the responsibility of the Canadian-Polish Enterprise Foundation since 1997. The tasks of the Canadian-Polish Enterprise Foundation have been taken over by the Polish Enterprise Foundation (PFP) based in Szczecin since 2003. The foundation received from the Canadian government a non-refundable grant of EUR 7 million. The funds let the Foundation provide financial support (guarantees and loans) to more than 1,500 small and medium-sized enterprises and to train 18,000 entrepreneurs. Moreover, in 2001 PFP used the money to establish the guarantee found, POLFUND, which is now one of the largest guarantee funds in Poland[6]. The value of the support provided by the Foundation was EUR 46 mln in the years 1997-2003, so the multiplier effect was 6.7.

D. **PHARE** (Poland and Hungary: Assistance for Restructuring their Economies) was a programme of the European Commission created in 1989 to provide financial support to countries which were candidates for European Union accession. Under the Local Initiatives Programme (Polska Iniciatywa Lokalna - PIL) financed with these funds, the first guarantee funds appeared in Poland at the beginning of the 1990s. In the years 1990-2003, the aid to Poland amounted to approximately EUR 3.9 billion. Part of the PHARE funds was used to create guarantee funds. In the years 1994-2003 eight guarantee funds were active. Until 2018, five of them still operate. Each fund received EUR 150-300 thousand (Gajewski et al., 2000). The program was continued until 2007. In 2016 the capital of the five guarantee funds was of a value EUR 7,5 million and the value of guarantees issued during 20 years of their activity was EUR 41 million.

e. **Polish-British Program of Entrepreneurship Development.** In 1994 the program started to support the development of small and medium enterprises in two regions of eastern Poland. Within the program two guarantee funds were created. Initially, money for the functioning of the credit guarantee funds was on an account in the United Kingdom. This increased bureaucracy and significantly prolonged the process of granting the guarantees. It was not until a few years later that the UK Government agreed to transfer these funds to the accounts of credit fund institutions, which greatly facilitated the development of their activities. The guarantee funds founded with the money of the British government turned out to be the most successful. Their capital on the last day of 2016 was EUR 29 million and the value of all granted guarantees for 20 years EUR 117 million.

In seven years since the start of the program, the loan funds granted loans in the value of EUR 203 million with the capital of EUR 80 mln. The guarantee funds managed to give guarantees of an amount EUR 160 million, and absorb approximately

[6] See the information on the website of the Foundation: https://www.pfp.com.pl/news_21_ceremonia_transformacji_kanadyjsko_polskiego_programu_przedsiebiorczosci_cpef.htm

EUR 228 mln of loans for small and medium enterprises.

In 1994 the Guarantee Fund for Small and Medium Enterprises in BGK was set up by the Polish government with the capital of 45 million PLN (almost 18.5 million USD[7]). The Guarantee Fund for Small and Medium Enterprises had easier start than other regional organizations providing loans and guarantees. Firstly, BGK as a banking institution supported by the state had a better negotiating position than regional guarantee and loan funds. Secondly, BGK, established in 1924, and reactivated in 1989 had the infrastructure, employees, and knowledge of the financial market.

The idea of the government was to leave the task of granting big guarantees to the Guarantee Fund for Small and Medium Enterprises and small guarantees to local and regional guarantee funds. This way, the aim of the Polish government was a creation of the network of local and regional guarantee funds with one central guarantee fund. Therefore, in 1997 the Guarantee Fund for Small and Medium Enterprises was changed into National Credit Guarantee Fund that could provide guarantees up to EUR 1.5 million not only to SMEs but also large enterprises and public entities.

In the creation of the loan and guarantee schemes in Poland, the experience of the World Bank in the development of similar schemes in other countries of Asia or Africa was used (Matusiak et al., 2005). In the case of #TOR 10 program, starting capital was treated as a non-returnable subsidy in the development of SMEs in Poland. Money was supposed to be lost after a few years. Unexpectedly, capital is used by some funds even today.

At the same time, fund employees had to gain experience, sometimes learning from mistakes. The first loan granted by the National Association for the Support of Entrepreneurship was not returned regularly. The investment failed, and money had to be executed in a lengthy process. The bad experience of loan funds forced their managers to develop procedures and adopt rules for assessing creditworthiness. As the first loans were limited to $20,000, loan funds financed mainly the establishment of businesses in trade or service sectors. The amount they could have granted was not sufficient to set up a production activity. However, as the participants of the focus research said: "*the loan funds were to be for entrepreneurs in the kindergarten (that's why the amount of the loan was so small) and allow them to go to the 'school' of financing under market conditions*."

In the 1990s, the guarantee funds in Poland received money for founding capital, which they could deposit in banks at high interest rates. From the interest earned on deposits, the funds could finance additional administrative needs. Moreover, the money from the initial capital was used to cover salary costs, sometimes very high for the members of the management board. The low capital endowment caused the bankruptcy of such funds in a short period and a lack of results, as banks did not treat the funds with little capital as serious business partners. The first guarantee funds created in the 1990s had to face the attempts of some people to get rich quickly, the reluctance of bankers and the lack of strategy. According to the Interviewee 2: "*some of the funds did not achieve good results at that time and today, because they are waiting for a customer who does not know about them and does not come to them.*"

[7] According to exchange rate on 29.12.1994

Loan and guarantee funds had to face several major obstacles to be successful. First was the access to skilled people who were able to find customers and evaluate whether they will be able to repay the loans. Most funds solved this problem by employing people with at least some experience in the banking sector. The second obstacle was gaining the trust of entrepreneurs and learning to cooperate with them. As Interviewee 1 stated. *The beginnings were difficult. First, people, entrepreneurs had to believe that this was not a scam. Later they had to learn how to estimate their investment needs — this required direct discussions with customers and the development of procedures.* Entrepreneurs' trust was critical as recommendations from satisfied customers were the primary source of gaining new customers and developing a network of contacts. The third obstacle in the case of guarantee funds was finding bank partners for their guarantees. This problem was also mainly solved by employees who worked previously in banks. They were able to find banks through their former colleagues who still worked in banks.

Some of the regional loan and guarantees collapsed. The initial capital of the funds was too small for the creation of the lines of loans (less than $125 thousand) and to build the client base, or too small for guarantee funds to build the relationship with banks. Banks as the focal actors of the translation aimed at the creation of an efficient banking system. To do this, they needed to exclude or minimalize the frauds in banks and build trust among investors and borrowers. If the guarantee fund had a small capital, no experience in operating and a limited number of employed specialists, the chance for the cooperation of the bank and the guarantee funds was little.

Moreover, the Interviewee 1 stated that the managers of the guarantee and loan funds, who decided to participate in the creation of the loan-guarantee system only to get rich fast and easy, noticed quickly that the strategy is short-term. Other managers, whose loan and guarantee funds survived realized that it is better to manage the fund effectively, because the second chance for such a stable and a prominent position may not appear so soon. Some regional loan and guarantee funds in Poland also collapsed as a result of poor management.

Loan and guarantee funds were created as NGOs, whose main goal was support of SMEs in closing their capital gap. They were supposed to cooperate, not compete. During the enrolment phase, loan and guarantee funds started to cooperate in a more organized manner. National Association of Guarantee Funds was initiated in 1996 and Polish Association of Loan Funds was set up in 2002. These associations aimed to promote guarantee and loan funds and organize experience exchange among organizations supporting business development.

4.4. Mobilization (2004-today) [8]

The mobilization phase starts in 2004 with Poland's accession to the EU. As a result of the accession, Polish entrepreneurs and loan and guarantee funds gained new sources of financing and hope for positive changes. Next important event occurred in 2009 when Bank Gospodarstwa Krajowego (BGK) became an independent institution that could issue the guarantees in its name and in the name of the State Treasury. That year the National Credit Guarantee Fund was liquidated, and the BGK became the owner of the money from the fund. CEOs of regional guarantee funds perceive it as their rival who "changed sides". According to them, BGK was supposed to support local

[8] The information in the part 4.4 of this paper is based on data from the focus research unless otherwise stated.

and regional funds and not replace them. They also indicated that BGK could not be efficient in lending operations, as the regional funds know better the problems of business owners in the region than the central organization.

The competitive relation with BGK could be a little exaggerated. To decrease the competition between BGK and regional funds, the SMEs that want to use a guarantee directly from BGK must have the bank account in BGK for six months before they apply for such guarantee. Consequently, individual agreements of BGK with enterprises became rare. In 2017 BGK issued only portfolio guarantees and none of the individual guarantees. Therefore, the competition of BGK for regional guarantee funds in Poland might be smaller than it seems to be for CEOs of the guarantee funds. Moreover, currently, BGK is a shareholder of 16, out of 50 regional guarantee funds in Poland, so it simultaneously plays the role of rival and supporter of regional guarantee funds.

In the mobilization phase, loan and guarantee funds received additional financing from EU regional development programs, but the demand for them increased. They were obliged to reach particular results. Otherwise, they had to pay penalties. The managers of these funds had to change their business models. As the President of the National Association for the Support of Entrepreneurship points out, the basis for high efficiency of the fund was and still is to avoid lost loans. The National Fund of the Association for the Support of Entrepreneurship did not lose a single loan during its 23 years of activity. At first, the funds had to elaborate on the procedures and rules for issuing loans or guarantees. However, to maintain the result as The National Fund of the Association for the Support of Entrepreneurship, the procedures and methods for assessing creditworthiness are not sufficient. “*Nothing can replace a conversation with an entrepreneur, face to face,*” says the President of this association. Regional loan and guarantee funds know their clients and can assess the project better than banks, from objective and subjective points of view.

Initially, guarantee funds granted only loan guarantees. Currently, the funds guarantee various financial instruments: tender deposits, loans, factoring, leasing, etc, because the needs of entrepreneurs changed. 15-20 years ago the first money was given by local and regional governments. The director of the guarantee fund (Fundusz Rozwoju I Promocji Województwa Wielkopolskiego) was asked about the success of his fund. He said: "*The Fund has the equity of approximately PLN 35 million, and we granted guarantees of almost PLN 900 million, and with the help of these guarantees the entrepreneurs obtained loans for approximately PLN 1.5 billion from banks. There is a saying, “you can't see the washed dishes.” We see them only when the dirty ones start to accumulate in the kitchen. And then we realized that it is not as it should be because there has always been an order. We tend not to notice the correct, decent development. We have many customers who started their business from a small shop; today their business is a large chain of stores. Similarly, transport companies started with one, two cars; today they have a fleet of several dozen or even hundreds of vehicles*”[9].

Many loan and guarantee funds decided to run additional activities to cover their fixed costs: consulting services, rental of

[9] See the part of the interview published on the website: https://alebank.pl/co-dalej-z-samorzadowymi-funduszami-poreczeniowymi/?id=254738&catid=22872&cat2id=25929

office space, operating technological parks. Some of the organizations started to offer both: loans and guarantees. Previously, guarantee funds operated as an indirect support tool for entrepreneurs. If the client wanted to use the guarantee, the bank had to submit the application of the entrepreneur to the guarantee fund. Now, guarantee funds started to issue the guarantees directly to the business owners. Guarantee funds' employees had to learn how to cooperate with entrepreneurs and communicate with them. Some of the guarantee funds created a call-center, and an account on Facebook and Twitter.

Banks do not always have an interest in directing entrepreneurs to a particular guarantee fund, especially if they cooperate with several funds. They still require a stronger engagement of guarantee funds in the cooperation, while loan funds are considered by banks as unfair competition, luckily on a small scale. The loan funds do not have to fulfil capital, accounting, reserve requirements for bank institutions and they receive the public support.

Over time, the guarantee funds, which currently have the best capital multipliers, started to introduce additional guarantees, e. g. tender guarantees, thus responding to the expectations of entrepreneurs. One of the best guarantee funds in Poland - the Development and Promotion Fund of Wielkopolskie Voivodeship S. A. launched its call-centre, introduced a guarantee sales system directly to customers. The business model of guarantee funds began to change from direct to indirect support.

In the EU budget period for the years, 2014-2020, funds for subsidized loans/guarantees are granted by a tender. Tenders are won by the organization that offers the lowest cost of operations (compensation) level and experience in loan granting. In the tenders participants are not only loan funds, but also other entities. Such entities that have revenues from other sources are often able to offer lower compensation that traditional loan funds. They set up a consortium with a small guarantee fund to demonstrate experience in the tender. In subsequent tenders, they may not need small fund to cooperate, because they can show experience in offering such instruments. Loan and guarantee funds perceive it as unfair competition[10]. Tender procedure significantly extends the implementation period of instruments and this reduces the possible leverage (multiplier effect).

4.5. Betrayals

There is always a fear that one of the actors will betray the others and will decide to pursue its short-term goals instead of seeking long-term benefits for all parties.

Meanwhile, three significant betrayals have arisen that have changed the mindset and woke up fears of directors of loan and guarantee funds that the future of the funds' activities may be uncertain.

The first betrayal perceived by loan and guarantee funds was committed by government institutions. The institutions introduced the necessity of participation of loan and guarantee funds in the tender when applying for funds from the EU in the budget period 2014-2020. Thus, a fund that can boast the best results can win a tender, forcing other funds to collapse or seek another source of funding. The threat of job losses for fund employees may lead them to unfair competition and alliances with institutions outside the network. Funds are starting to steal business models, solutions and products (regulations, document templates) rather than share them.

[10] Information from focus research organized by authors.

As the perceived second betrayal, the new policy of Bank Gospodarstwa Krajowego (BGK) began to grant guarantees to small and medium-sized enterprises. Despite the current restrictions on granting individual guarantees, BGK is still treated by some of the guarantee funds as a competition and a threat to their activities. Representatives of regional guarantee funds believe that BGK steals their customer and may cause guarantee funds to go bankrupt in the long run.

The third betrayal was committed by the manager of the biggest loan fund (Fundusz Mikro). In 2010, she managed to control 100% ownership in this organization and transformed it into a bank. Before 2010, the fund granted twice as many loans than all other loan funds in Poland. However, because the Fundusz Mikro usually granted loans below $ 2,000, the value of Fundusz Mikro's loans in a value of all loans granted by loan funds in Poland did not exceed 16%. Fundusz Mikro specialized in granting small loans for all purposes of small enterprises with minimum formalities. When Fundusz Mikro left loan funds system, the number of loan funds dropped dramatically (55%). As the private bank, the Fundusz Mikro could not get grants and participate in the creation of the system support for SMEs any more. It still issues loans for SMEs, but with much higher interest rates, even higher than commercial banks. Undoubtedly the network of loan funds became weaker without Fundusz Mikro.

Currently, according to the data of the National Association of Guarantee Funds, 43 guarantee funds operated in Poland at the end of 2016. The total capitalization of guarantee funds in 2016 in Poland was EUR 248,5 million. According to the data of Polish Association of Loan Funds, 80 loan funds operate (at the end of 2017) in Poland. The capital of loan funds also increased in comparison to the initial value in 1990s, by 35 times, reaching 555 million EUR.

To sum, the information obtained from focus research and interviews, the success of guarantee and loan schemes depends on people. The willingness to get rich can destroy any program. It is about the people who create the support system to achieve the best possible results. They should also be held accountable for the results, and it should not be enough to say "we have done our best, but it is not our fault."[7] Table 1 shows the process of mobilization of the system loan-guarantee in Poland as well as relations among actors.

[11] Opinion of the focus research participant.

Table 1. Translation phases

Translation phase	**Details**	**Actors**		
Problematization (1987-89)		**Banks**	**Government institutions**	**Small business (entrepreneurs)**
	Problems to overcome	*Frauds, failures of banks, lost loans, lack of trust of clients*	*Decreasing number of enterprises, high unemployment, lack of financing for entrepreneurs*	*No financing in banks, high interest rates, fear/ lack of trust for debt*
Interessment (1990-91)	*Roles undertaken*	*Creators of the stable banking system increasing the trust for banks, providing financing for business and preventing investors from losing their money.*	*Creator of the system that may help entrepreneurs, the supplier of financing for financial instruments (loans and guarantees)*	Clients of the banks
	Steps	*Creation of Polish Bank Association, mergers, creation of the registry of clients that lost their creditworthiness*	*Idea and preparation for the creation of loan and guarantee funds*	*First bank loans and increased resistance to indebtedness because of first failures of businesses and frauds*
	Other actors	*Polish Bank Association, technology preventing frauds*	*Managers of loan and guarantee funds*	
Enrolment (1992-2003)	*Negotiations, solutions*	*Looking for new types of collaterals, investments in technology. In 1998 creation of the Monetary Policy Council.*	*Creation of loan and guarantee funds, rules of financing the funds and for loans and guarantees granted (limitation for a loan to $ 20 thousand) BGK-institution that should support loan and guarantee funds appears*	*Access to first loans from loan funds and finding out that the loans are not a scam*

Mobilization (2004- today)	*Network of actors*	*The main goal of **banks** became the support of the financial system and economy. It was noticed that even small trembles might cause huge damages to the economy. Banks started to be interested in guarantees and loans for **SMEs**.*	***Managers** of **loan and guarantee funds** became real CEOs interested in long –term survival of the funds. Creation of **loan and guarantee associations** that watches the results of loan and guarantee funds. Loan and guarantee funds noticed additional need of **entrepreneurs**: bid bonds guarantees, lease guarantees, and business advisory. **BGK**- the transformation from the competitor of the regional loan and guarantee funds to the shareholder of guarantee funds and a fund of funds in regional programs financed by UE. **UE and Polish government** plan to use the loans and guarantees in financing support for SMEs in the following perspectives.*	*Polish **entrepreneurs** are dependent on external financing. Especially **businesses** apply for the operating loans (short-term) in loan funds.*
	Betrayals	*Necessity of participation of loan and guarantee funds in the **tender** when applying for funds from the EU*	***Micro Fund** leaves the network. **BGK** grants guarantees to small and medium-sized enterprises **Competition** within the network*	

5. SUMMARY AND CONCLUSIONS

Credit rationing is a common problem in case of small firms. The problem is particularly important in countries that transformed from a centrally planned system to a free-market economy. The article aims to answer the primary research question - "how actors were mobilized to form a network for promoting microfinancing system in a transforming country?". For this case study, we employed the actor-network theory (ANT) as a lens and interpretation tool.

In many countries, financial instruments aimed at closing the capital gap (including subsidized loans and guarantees) for SMEs are distributed by governmental agencies or banks. However, in Poland, a specific network of organizations, aimed at closing the capital gap, was created. It consists of four main actors: government institutions, funds, entrepreneurs, banks. The specificity of the Polish network is that most funds are non-profit organizations.

The first circumstances for the creation of a guarantee and loan system in Poland appeared in the early 1990s. In the problematization phase, a significant amount of SMEs was established. At the same time, the first commercial banks were created. The banking system was inefficient, and most entrepreneurs lacked capital. Public institutions noticed the need to organize a system, facilitating access to capital by SMEs. Interessement period was critical for the creation of the network. The process of the creation of first loan and guarantee funds was started in this period. All four actors had to develop trust relations between them. Public institutions had to trust fund managers that they will not embezzle funds. Entrepreneurs had to trust funds that they will provide a reliable source of financing. Funds had to believe entrepreneurs that their business will be successful and that they will repay their loans and credits (in case of guarantee funds). Banks had to trust guarantee funds that they will cover possible losses. In the enrolment period loan and guarantee funds developed their operations and increased their scale of operations. Some of them collapsed quickly, but most of them were successful.

Mobilization phase after joining the EU created new possibilities for enterprises and funds due to better access to EU funds. However, some betrayals in the network occur. The first betrayal was made by government institutions, which in recent years introduced the necessity of participation of loan and guarantee funds in the tender, when applying for funds from the EU. The introduction of fees auctions for funds management increased competition between funds and reduced trust between them. It also allowed the inclusion of private enterprises, trying to offer the same services and acquire the same funds in tenders. The second betrayal was the change of Bank Gospodarstwa Krajowego (BGK) policy enabling it to grant subsidized loans and guarantees directly to SMEs. It leads to the perception of BGK as a competitor by funds employees, instead of the former image of a state-owned institution and a bank supporting the functioning of the funds. The most serious threat appears to be the fund managers themselves. The biggest betrayal was the case of the Fundusz Mikro, in which the manager gathered 100% ownership. Next, she transformed the fund and turned it into a bank using the fund's experience and customer base. The "privatization" of the fund may change into a shadow banking systems, offering loans to those who cannot receive them at banks but a much higher cost than in banks. It can destroy the trust of entrepreneurs to this type of organization and cause that they will cease to effectively achieve the goal for which they were established, that is, the reduction of the equity gap.

The article shows how the different purposes of each actor can affect or hinder the achievement of benefits for all actors. We pointed to the goals and problems they had to achieve to create a network to reach the primary goal, which was the creation of a sustainable market economy in Poland. Part of it is the microfinancing network of entrepreneurs, banks, governmental institutions and funds (NGOs). It works quite successfully enabling access to capital by entrepreneurs who could not get it from banks. However, betrayals committed by some actors may cause the system to collapse or change in the future, as actors will adopt different goals and new actors will join in. A change in the method of funds' financing, limitation of EU financial resources, changing the needs of entrepreneurs, further transformations of the Polish banking system - all these events may result in the creation of a new network of connections and a new system.

References

1. *25 lat samorządu bankowego w Polsce*, Retrieved from: https://zbp.pl/25-lat-zbp/historia (Accessed 25.01.2019).
2. Appenzeller, D., & Nowara, W. (2002). Procesy upadłościowe banków komercyjnych na tle ewolucji sektora bankowego w latach 1989-2001. *Ruch Prawniczy, Ekonomiczny i Socjologiczny*, 4, 109-129.
3. Bechri M, Najah T. & Nugent J.B. (2001). 'Tunisia's Lending Program to SMEs: Anatomy of an Institutional Failure?', *Small Business Economics* 17, 293-308.
4. Beck, T., Klapper, L. F., & Mendoza, J. C. (2010). The typology of partial credit guarantee funds around the world. *Journal of Financial Stability*, 6(4), 10–25.
5. Berger, A. N., & Udell, G. F. (1990). Collateral, loan quality and bank risk. *Journal of Monetary Economics*, 25, 21–42.
6. Besanko, D., & Thakor, A. V. (1987). Collateral and rationing: sorting equilibria in monopolistic and competitive credit markets. *International economic review*, 28 (3), 671-689.
7. Bledin, J., & Shewmake, S. (2004). Research programs, model-building and actor-network-theory: Reassessing the case of the Leontief Paradox. *Journal of Economic Methodology*, 11(4), 455-476.
8. Bloomfield, B. P., & Vurdubakis, T. (1994). Boundary disputes: Negotiating the boundary between the technical and the social in the development of IT systems. *Information Technology & People*, 7(1), 9-24.
9. Boschi, M., Girardi, A., & Ventura, M. (2014). Partial credit guarantees and SMEs financing. *Journal of Financial Stability*, 15, 182–194.
10. Callon, M. (1986). Some elements of a sociology of translation: domestication of the scallops and the fishermen of St Brieuc Bay, *The Sociological Review*, 32, 196-223.
11. Callon, M., & Muniesa, F. (2005). Peripheral vision: Economic markets as calculative collective devices. *Organization studies*, 26(8), 1229-1250.
12. Callon, M., Rip, A., & Law, J. (Eds.). (1986). *Mapping the dynamics of science and technology: Sociology of science in the real world*. Palgrave Macmillan.
13. Cowling M., (1998), Regional Determinants of Small Firm Loans

Under the U.K. Loan Guarantee Scheme, *Small Business Economics,* 11,155–167.

14. Duan, H., Han, X., Yang, H. (2009) An analyses of causes for SMEs financing difficulty. *International Journal of Business and Management,* 4(6), 74-75.
15. Garcia-Tabuenca A. & Crespo-Espert J.J., 2008, Credit guarantees and SME efficiency, *Small Business Economics,* 35, 113-128.
16. Hans-Joachim, G. (2003) Transaction costs in finance and inventory research. *International Journal Production Economics,* 81, 341-350.
17. Honaghan, P. (2008). *Partial credit guarantees: principles and practice. Session I. Partial credit guarantees: experiences and lessons*. World Bank, Financial & Private Sector Development.
18. Hull, R. (1999). Actor network and conduct: the discipline and practices of knowledge management. *Organization*, 6(3), 405-428.
19. *Informacja o Poręczeniach i Gwarancjach Udzielonych w 2017 roku przez Skarb Państwa, Niektóre Osoby Prawne oraz Bank Gospodarstwa Krajowego.* Retrieved from: https://www.mf.gov.pl/ministerstwo-finansow/dzialalnosc/poreczenia-i-gwarancje/informacje-podstawowe/-/asset_publisher/9Hdo/content/informacje-o-poreczeniach-i-gwarancjach-udzielonych-przez-skarb-panstwa-niektore-osoby-prawne-oraz-bank-gospodarstwa-krajowego (Accessed 25.01.2019).
20. Justesen, L., & Mouritsen, J. (2011). Effects of actor-network theory in accounting research. *Accounting, Auditing & Accountability Journal*, 24(2), 161-193.
21. Justesen, L., & Mouritsen, J. (2011) Effects of actor-network theory in accounting research. *Accounting, Auditing & Accountability Journal*, 24(2), 161-193.
22. Kaliński J, (2005). Gospodarka Polski w procesie transformacji ustrojowej (1989-2002) [in:] E. Czarny (ed.), *Gospodarka Polska na przełomie wieków*, NBP 2005,
23. Kaliński, J. (2015). Kiedy zaczęło się odradzanie gospodarki rynkowej w Polsce?. *Optimum. Studia Ekonomiczne*.
24. Latour, B.(1987). *Science inaction*. Harvard University Press.
25. Law, J. (1992). Notes on the theory of the actor-network: Ordering, strategy, and heterogeneity. *Systems practice*, 5(4), 379-393.
26. Levarlet, F., Seri, P., Zingaretti Ch., Hrelja, D., Lorgeoux, E. (2018). *Assessing the impact of the UK's withdrawal from the EU on regions and cities in EU27*. European Union, Retrieved from: https://cor.europa.eu/Documents/Migrated/news/impact-brexit.pdf
27. Llisterri, J., (1997). Credit guarantee systems: Preliminary Conclusions. *The Financier,* 4(1&2), 95–99.
28. Lowe, A. (2001). After ANT-An illustrative discussion of the implications for qualitative accounting case research. *Accounting, Auditing & Accountability Journal*, 14(3), 327-351.
29. Matusiak, K.B., Mażewska, M. & Zasiadły, K. (2005). Rozwój Lokalnych Systemów Wspierania Przedsiębiorczości. Retrieved from: http://docplayer.pl/16026225-Rozwoj-lokalnych-systemow-wspierania-przedsiebiorczosci.html
30. Oh I., Lee J-D., Heshmati A. & Choi G-G., 2009, Evaluation of credit guarantee policy using propensity score

matching. *Small Business Economics,* 33, 335-351.

31. Pipan, T., & Czarniawska, B. (2010). How to construct an actor-network: Management accounting from idea to practice. *Critical Perspectives on Accounting*. 21(3), 243-251.
32. Sanneris G. (2015), Support of Sme's In Italy: Case Of Confidi, Experience And Perspectives Of Evolution. *St. Petersburg State Polytechnical University Journal. Economics*, 228 (5), 7-19.
33. Stiglitz, J. E., & Weiss, A. (1981). Credit rationing in markets with imperfect information. *The American Economic Review*, 71(3), 393-410.
34. Strathern, M. (1996). Cutting the network. *Journal of the Royal Anthropological Institute*, 2 (3), 517-535.
35. Uesugi, I., Sakai, K., & Yamashiro, G. M. (2010). The effectiveness of public credit guarantees in the Japanese loan market. *Journal of the Japanese and International Economies*, 24(4), 457-480.
36. Ughetto E., Scellato G. & Cowling M., Cost of capital and public loan guarantees to small firms, *Small Business Economics,* 49, 319-337
37. Webster, L. (1991). World Bank Lending for Small and Medium Enterprises: fifteen years of experience. Retrieved from: http://documents.worldbank.org/curated/en/165031468739236287/pdf/multi-page.pdf
38. Young, D., Borland, R.,& Coghill,K. (2010). An actor network theory analysis of policy innovation for smoke – free places: understanding change in complex systems. *American Journal of Public Health*, 100(7), 1208-1217.

RAZVOJ USPJEŠNOG SUSTAVA MIKRO-FINANCIRANJA: PERSPEKTIVA TEORIJE AKTERA I MREŽA

Sažetak. *Ovaj rad želi odgovoriti na sljedeće istraživačko pitanje: „Kako se akteri mobiliziraju za stvaranje mreže, koja promovira sustav mikro-financiranja u zemlji u tranziciji?". U ovoj se studiji slučaja koristi teorija aktera i mreža kao alat za promatranje i interpretaciju. Autori su koristili fokusne skupine, dubinske intervjue i analizu dokumenata kao izvore podataka. U radu se pokazuje da svaki od aktera, iz različitih razloga, može djelovati, odnosno ograničiti ostvarivanje koristi za sve aktere. Ukazuje se na ciljeve i probleme koje je trebalo riješiti, kako bi se kreirala mreža s primarnim ciljem kreiranja održivog tržišnog gospodarstva u Poljskoj. Ključni akteri (vlada, mala i srednja poduzeća, banke, nevladine organizacije) trebale su izgraditi mrežu za mikro-financiranje, koja prilično uspješno funkcionira. Ona osigurava pristup kapitalu poduzećima, koja ga ne mogu dobiti od banaka. Međutim, neetično ponašanje određenih aktera bi moglo djelovati na raspad ili promjenu sustava, kako akteri mijenjaju svoje ciljeve ili mu se novi akteri pridružuju. Promjene metoda financiranja garancijskih fondova, ograničenja financijskih resursa EU-a, promjene potreba poduzetnika, kao i daljnje transformacije poljskog bankovnog sustava mogu djelovati na stvaranje novih povezanosti unutar mreže, odnosno stvaranje novog sustava.*

Ključne riječi: *teorija aktera i mreža, krediti, garancije, banke, mala i srednja poduzeća, zemlja u tranziciji*

Appendix I Focus Research

Date: 23.11.2018

Duration: 2.5 hours

Place: University of Lodz, Poland

Participants:

1. President of a Loan Fund since 1996
2. President of a Guarantee Fund since 2005
3. Coordinator of Loan Programs in Poland since 1992
4. Member of Management Board in a Loan Fund since 1989
5. President of a Loan Fund since 2013, previously the director in a bank
6. President of a Loan Fund since 2010, previously the manager in a bank
7. President of a Loan Fund since 2007, previously the mayor of a city

Appendix II In-depth interviews information

No.	Interviewee	Data of the interview	Duration of the interview
1	President of a Loan Fund	11.01.2018	1,5 hours
2	President of a Guarantee Fund	18.01.2019	40 minutes