

Influence of financial services in the increase of the income of the MYPES of the municipality of Sucre

Influencia de los servicios financieros en el incremento de los ingresos de las Mypes del municipio de Sucre.

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DOI: 10.35429/JGE.2021.8.5.14.20

Received January 15, 2021; Accepted June 30, 2021

Abstract

This project studied and analyzed the influence of the financial services, revenue growth from Sucre Municipality. Many techniques were used such as: The survey questionnaire, in addition to previous data collection related to the research topic. Analysis results were conducted and were determined the impact on these entities have different income and certain primordial Mypes (medium and small companies) when obtaining credit factors, opening current accounts, fixed deposits are also identified and savings. Finally, some advantages and disadvantages to both forms of operationalization financial institutions such as the Municipality of Sucre Mypes feature was identified. We determined that a large percent of Mypes in Sucre city, they depend on the services that these financial institutions offer to enlarge their income level. Moreover, it will help to execute operations in a safe and continuous way.

Financial services, Operationalization financial, MYPES

Resumen

Este proyecto estudió y analizó la influencia de los servicios financieros, el crecimiento de los ingresos del Municipio de Sucre. Se utilizaron varias técnicas como: El cuestionario de la encuesta, además de la recopilación de datos anteriores relacionados con el tema de investigación. Se realizaron análisis de resultados y se determinó el impacto que tienen estas entidades en los diferentes ingresos y ciertas Mypes primordiales (medianas y pequeñas empresas) a la hora de obtener factores de crédito, apertura de cuentas corrientes, también se identifican los depósitos fijos y de ahorro. Finalmente, se identificaron algunas ventajas y desventajas para ambas formas de operacionalización de las instituciones financieras como la característica de las Mypes del Municipio de Sucre. Se determinó que un gran porcentaje de Mypes de la ciudad de Sucre, dependen de los servicios que ofrecen estas instituciones financieras para ampliar su nivel de ingresos. Además de ayudar a ejecutar operaciones de manera segura y continua.

Servicios financieros, Operacionalización financiera, MYPES

Citation: CALDERÓN, Jhonny, FERRUFINO, Katherine and GONZALES, Zamuel. Influence of financial services in the increase of the income of the MYPES of the municipality of Sucre. Journal-General Economics. 2021. 5-8:14-20.

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Introduction

The financial system in Bolivia is made up of banking institutions, insurance companies, pension funds, private financial funds and stockbroking agencies. However, most of the financial operations are carried out by small producers, organizations and people who use this system to save or obtain resources to finance some activity they carry out.

The financial services sector plays a critical role in any modern economy. The set of entities that make up the financial system of a country can be considered "the brain of the economy", which attends to the main of its needs with respect to numerous functions.

These functions include: facilitating transactions in the economy (exchanges of goods and services); mobilize savings (for which the avenues would otherwise be much more limited); allocate capital resources (particularly for the financing of productive investments); the surveillance of those in charge of management (so that the allocated funds have the intended destination); and the conversion of risks (reducing them through aggregation and putting them in charge of those who are more willing to bear them).

In Bolivia, the financial services sector typically comprises banks, trust and credit companies, credit unions, life and health insurance companies, general insurance companies, brokers and stock exchanges, investment fund companies, mutual funds insurance companies, finance companies and financial leasing companies, insurance agents and brokers, and a multitude of ancillary service providers, such as independent financial advisers, actuaries, and intermediaries.

In ancient times, access to the services provided by financial institutions was very restrictive and perhaps limiting for all sectors of the economy and even for reaching all levels of society; this due to the many demands and guarantees that were requested in the banking and financial entities. With the opening of many financial funds, the appearance of NGOs and savings and credit cooperatives, the restrictions, guarantees and endorsements for access to these services were extended, reaching all social sectors, mainly the productive sectors.

Those who previously could not or did not have the possibility to access these services, now only with a personal guarantee or with the guarantee of the same goods, can mainly access credits, which make it possible to improve their businesses. Seeing not only the expansion of financial services but also the possibility that these services are at the customer's hand, many financial institutions have expanded their coverage and scope of action, reaching rural areas with their services, where there has been much acceptance mainly by peasant economics organizations who now with the facilities provided by these entities have improved their working capital and therefore improved their production, giving a new vision to the local economy (of the municipality) and even national.

Background

In the Bolivian Financial System there are 12 mutuals, 24 savings and credit cooperatives, 8 financial funds, 2 General Deposit Warehouses, a Financial Leasing Company, a Clearing House, two Credit Information Bureaus and the Nacional Financiera Boliviana SAM (second floor entity).

These entities offer financial services to the community as a whole, but their origins were in the Central Bank of Bolivia, created on July 20, 1928, whose predecessor was the Banco de la Nación Boliviana, which passed its assets and liabilities to the new institution. Since then, the bank's development has been closely linked to the political and economic history of the country, in the South American and world context.

The Financial System Supervision Authority (ASFI) is the institution of the Plurinational State of Bolivia that regulates and supervises the operation of banking entities, cooperatives, mutual funds, financial funds, and entities that operate with securities, which make up the Bolivian Financial System.

Financial Intermediation Entities is the name given to financial institutions authorized by the Financial System Supervision Authority (ASFI) to carry out savings and credit placement operations.

These entities can be:

- Banks.

- Private Financial Funds.
- Mutual Savings and Loans.
- Open or Corporate Savings and Credit Cooperatives.
- Development Financial Institutions.

The main operations that financial intermediation entities can carry out, in accordance with the Law of Banks and Financial Entities, are: Passive Operations, Active Operations, Contingent Operations, Administration Operations.

The Financial System in the City of Sucre regulates and supervises the Banking and Non-Banking Financial Entities through the ASFI. Running the following entities:

Years of creation			
1 to 5	6 to 10	one1 to 15	one6 forwards
48			
two	8	26	12
4%	17%	54%	25%

Table 7.1

On the other hand, the economy of the municipalities that have access to Financial Services, as in the case of Monteagudo, is very different from the economy of the municipalities that do not have them. The economic dynamics in these is more active, they are aware of the services offered by financial institutions, the members of the organizations have a much more developed organizational culture, the level of savings is higher and they collaborate with each other.

The Micro and Small Enterprise (Mype) has a fundamental importance in the generation of employment and constitutes one of the main actors in the growth of the Bolivian economy.

Materials and methodology

The strategies and methods that will be used to carry out the research will be:

Surveys: Different surveys will be carried out with closed questions to third parties that demonstrate the capacity to create new Mypes, thus obtaining the degree of information they have about financial services in addition to their benefits.

Results

Years of creation			
1 to 5	6 to 10	one1 to 15	one6 forwards
48			
two	8	26	12
4%	17%	54%	25%

Table 2 The years of creation of the Mypes oscillate between

According to the data obtained, we can observe that the vast majority of Mypes in the municipality of Sucre have a seniority of 11 to 15 years (54%), followed by Mypes with a seniority of 16 years and older (25%), Mypes with a seniority from 6 to 10 years with 17% and Mypes with 1 to 5 years of creation with 4%, so we can see that Sucre has Mypes, the majority of which are already fully established in the market.

main activity		
Industry	business	Services
48		
16	12	twenty
33%	25%	42%

Table 3 Main activity to which it is dedicated

According to the graph obtained from surveys carried out, it can be seen that there is a large concentration in Mypes in the service sector (42%) mainly due to the needs of the market in addition to the economic situation in which it develops in the municipality of Sucre. On the other hand, we see that the industrial sector has 33%, thus occupying second place in main activities and finally the commercial sector with 25%; This is due to, as we mentioned before, the economic situation in which these micro-enterprises are developed and in which the Municipality of Sucre is located.

Bancos								
Bnb	Mercantil	Bep	Sol	Unión	Fie	Ganadero	Los andes	Bisa
82								
14	12	14	4	10	6	8	12	2
17%	15%	17%	5%	12%	7%	10%	15%	2%

Table 4 Financial institution with which you work

F.f.p			
Prodem	Eco fut.	Fortaleza	Fassil
13			
10	1	1	1
77%	8%	8%	8%

Table 5

Cooperativas					
Buen sam.	Mag. Rural	S. Roque	Juan bosco	La trinidad	Catedral
0					
0	0	0	0	0	0
0	0	0	0	0	0

Table 6

Mutuales
La plata
0
0

Table 7

ONG'S			
Aned	Promujer	Creecer	Fubode
2			
		2	
		100%	

Table 8

Analyzing the previous graphs, we can see that the entities that provide the most support to Mypes are the banks, especially there is an inclination towards the BNB bank (with 17% due to different factors such as the level of confidence that they have towards the bank for its prestige) and Banco BCP (with 17% since it specializes in granting loans). Next came Banco Los Andes and Banco Mercantil Santa Cruz, Banco Unión with 12%, Banco Ganadero with 10%, Banco FIE with 7%, Banco Sol with 5% and finally Banco Bisa with 2%.

Very few Mypes go to Private Financial funds, in which Prodem stands out, only one Mype has services from NGOs and none go to mutuels. These inclinations or preferences are mainly due to the level of trust that people have towards the banks since they have more years of working in the market, in addition to granting greater facilities to customers.

Servicios Bancarios						
C. de ahorro	DPF	Créditos	Cta. Corriente	Cta SAFI	Transf.	Giros
94						
40	6	32	12	2	2	
43%	6%	34%	13%	2%	2%	

Table 9 Banking services that Mypes have

According to the data obtained from surveys carried out, it can be observed that in terms of banking services, the managers or owners of Mypes tend to opt for savings banks (43%), either because of the payment of higher interest rates in relation to checking accounts or other factors. On the other hand, of the 100% of Mypes that was taken into account in the sample size, 34% have credits obtained mainly to cover operating expenses and capital investment, 13% have current accounts, 6% have DPF due to the impossibility of moving balances, 2% for both SAFI accounts and transfers. No wire transfers or remittances were observed. This clear inclination to savings accounts is due to the differences in interest rates offered in savings accounts compared to current accounts or the impossibility of moving balances or cash in fixed-term deposits..

Servicios NO Bancarios.	
Pag. Imptos	Pag. Serv. Básicos
48	
14	34
29%	71%

Table 10

Regarding the use of non-banking services by Mypes, 71% use banking entities as a means of payment for banking services and 29% use these entities to make their tax payments. According to surveys and interviews carried out, this is mainly due to preferences for paying their taxes personally and thus avoiding future errors or omissions. On the other hand, they resort in greater percentage to financial entities for the payment of basic services for convenience.

Monto del crédito			
100 a 5000	6000 a 10000	11000 a 20000	21000 adel.
34			
	22	6	6
	65%	18%	18%

Table 11 Amount of credit you obtained (\$)

According to the graph obtained, it can be seen that a large percentage of Mypes tend to obtain credits between 6,000.- to 10,000.- US dollars (65%), 17% of Mypes obtain credits of 11,000.- to 20,000.- US dollars and 18% obtain credits of 21,000.- dollars onwards. It should be noted that many Mypes have high indebtedness rates and some even have over-indebtedness due to the diversity of credits they have in more than one financial institution.

A tendency can be observed to obtain credits of 6,000.- to 10,000.- due to the levels of cash flows or sizes of the micro-enterprises, in addition to the fact that they prefer to obtain short-term credits due to the interest rates and facilities offered.

Tasa de interés del crédito			
1 a 6	7 a 12	13 a 17	18 adel.
36			
8	26	2	
22%	72%	6%	

Table 12 Interest rate for obtaining credit %

You can see a concentration in credits obtained from 7 to 12% interest (72%), which is mainly due to the destination of the credits that were obtained; followed by 22% of credits obtained at an interest rate of 1 to 6%, occupying a second place since these credits were mostly obtained for the purchase of homes to carry out their Mypes operations. Finally with 6% the credits obtained at an interest rate of 13 to 17%. Credits obtained at interest rates of 18% and above are not presented. This is mainly due to the destination of the credits that were obtained, the interest rates offered, the terms granted and the needs of each Mype.

Plazo del crédito			
1 a 5	6 a 10	11 a 15	20 adel.
34			
18	12		4
53%	35%		12%

Table 13 Term of obtaining the credit

According to data obtained, it can be seen that Mypes choose to take out loans in the short and medium term, that is, from 1 to 5 years (53%). On the other hand, credits obtained at a term of 6 to 10 years account for 35% and finally the existence of credits obtained at a term of more than 20 years with 12%. Loans obtained in terms of 11 to 15 years do not have a percentage, which is why they do not appear in the graph. These percentages are due to the destinations of the credits, which have certain terms in the financial entities, to the rotation of their cash since this tends to be faster and to the level of income that they generate in this way, they prefer short and medium debts. term.

Destino del Crédito					
Cap. Operación	Cap. Inversión	Pag. Deudas	Consumo	Vivienda	Otros
34					
18	6		6	4	
53%	18%		18%	12%	

Table 14 The credit obtained was used for

According to the results obtained from surveys carried out on different Mypes in the municipality of Sucre, it can be seen that many of these Mypes tend to obtain loans for operating capital (53%). 18% of Mypes obtain loans for consumption, loans for investment capital with 17% and loans for the purchase of homes with 12%. There are no percentages in obtaining credits for the payment of debts and other types of destinations. This is due to the fact that Mypes require cash to carry out their activities in a normal way, for which they resort to loans for operating capital, acquisition of fixed assets, either for the implementation of new branches or for the replacement of discarded assets.

Atención				
Exc.	M. Buena	Buena	Reg.	Mala
40				
4	18	16	2	
10%	45%	40%	5%	

Table 15

Rapidez				
Exc.	M. Buena	Buena	Reg.	Mala
40				
2	12	20	6	
5%	30%	50%	15%	

Table 16

Localización				
Exc.	M. Buena	Buena	Reg.	Mala
38				
8	12	16	2	

Table 17

Facilidades				
Exc.	M. Buena	Buena	Reg.	Mala
40				
6	4	24	6	
15%	10%	60%	15%	

Table 18

According to the different data obtained, we observe that in terms of the customer service variable that the different financial entities provide to the Mypes of the municipality, Sucre obtains 45% in a "Very Good" rating, which does not indicate that the entities Financial institutions give good attention to Mypes, the "Good" rating has 40%, the "Excellent" rating with 10% and the regular rating has 5%.

Regarding the variable speed in accepting credits, 50% has a "Good" rating, which, although it is a positive result, financial entities must be very careful since this is an important variable when it comes to Obtaining credits for Mypes, the "Very Good" rating has 30%, the "Regular" rating 15% and the "Excellent" rating 5%.

The location variable, that is, the location of the financial entity to which they go, 42% obtained a "Good" rating, with 32% a "Very Good" rating, with 21% an "Excellent" rating and finally with 5% the "Fair" rating.

The variable facilities for obtaining credits have 60% in terms of a "Good" rating, the "Excellent and Regular" ratings have 15% and the "Very Good" rating with 10%. In none of the variables were there percentages in the "Bad" rating ranges.

This is due to the level of training of the personnel that financial entities have in terms of the customer service variable, the levels of analysis and departments through which a credit application must pass in terms of speed, in terms of to the location of the financial entities, these are either in the center of the city or the peasant market, since these areas are the ones with the greatest economic movement. Finally, the variable of facilities granted depends a lot on the security policies of financial entities.

Discussion

The data obtained from the surveys carried out on different Mypes in the Municipality of Sucre show the clear dependence of their micro-enterprises on the financial services offered, since it constitutes a fundamental element for carrying out their activities in a continuous and secure manner.

Among the most important financial services that contribute to the increase in the income of the Mypes of the Municipality of Sucre are: the granting of credits either to finance operating expenses, investment capital and others, the opening of both savings banks, fixed-term deposits and current accounts.

Regarding the granting of loans, it should be noted that many of these micro-enterprises opt for short-term financing and in some cases it is observed that these Mypes have different types of credits in different financial entities, which means that they cannot cover with their payments and to solve this problem they resort to another loan, thus turning this situation into a chain and causing the stagnation or bankruptcy of these micro-enterprises, especially those that are beginning to form.

Finally, based on certain interviews carried out, it can be seen that many banking entities are not specialized in granting microcredit, of which many of these are in the process of training their staff in order to respond to the needs of these microenterprises..

Conclusions

In conclusion to the research work carried out, it can be determined that a large percentage of the Mypes of the Municipality of Sucre depend on the services provided by financial entities to raise their income level and also to carry out their operations continuously and safely. Many of these Mypes have loans in order to finance not only their daily operations, but also for the expansion of their medium and small businesses. Others, although they do not require this service, already have current accounts or savings accounts since, as we mentioned before, they are essential services that a Mype must have to carry out its activities in a normal and safe manner.

Regarding the factors when choosing one or another banking entity, it was noticed in a very marked way that many of the Mypes take into account certain factors, such as: firstly, the interest rate, either to obtain a loan, for fixed-term deposits or for opening savings and checking accounts. In second place would be factors of speed in terms of credit granting and customer service since these companies require instant cash and a delay of hours, days or weeks means a loss of growth opportunities.

Finally, another very important factor would be the facilities that financial institutions grant to their clients and especially to Mypes, which are the ones that need the greatest impulses, now, although there must be a certain margin of facilities granted to Mypes, it must also be to evaluate in detail their payment capacities since the granting of credits above their payment capacities would cause them to go bankrupt instead of their growth.

Acknowledgments

To our beloved faculty, especially to the Financial Administration Career for the warm welcome they give us every day.

To our teachers, to our dear Lic. Jimena Cuellar Calderón for all the knowledge imparted and for those tips that will not be forgotten.

To our parents and friends for their unconditional support

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