

## The Role of Microcrediting in Hungary

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*Abstract: The micro and small enterprises are a dominant group of the enterprises operating in Hungary. This sector remarkably affects development of the Hungarian economy the competitiveness and primarily the labour market. After the change of the political system, the legal frame and the marketoriented economic procedures have facilitated the quick growth of enterprises. At the same time, the lack of the enterpreneurial knowledge and experience, but mainly the shortage of capital have caused a serious problem. At the begining of 90s, the PHARE program founded by EU and the Hungarien Enterprise Agency set up the system of microcrediting in order to handle financing problems. Int he last one and a half decades the multi-agent microfinancing restructured several times, has become more and more market-based. In my view, it contradicts to the original aims of microcrediting which is to ensure the establishment of small enterprises with financial support and business consultancy.*

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