



Artistic Crafts Stories / Good practices Bulgaria

ELIZABETH YAKUPOVA Expanding family business of pottery with interest-free microfinancing

Read the case of Elizabeth Yakupova to explore how a small business in artistic crafts can be expanded via interest-free microcredit.

Bulgaria

External Finance: Microcredit

Values: Economic

Key takeaways of this inspiring case: Elizabeth Yakupova, a third-generation potter, won the competition "Say your ideas out loud" realized by the Bulgarian microcredit institution USTOI JSC and was entitled to receive interest-free financing with her "Bulgarian Folk Art" project. Micro-credit offers an important opportunity for creatives who cannot access bank finance due to the requirement of providing collateral in the process and interest-free microcredit provides even more favorable opportunities for self-employed.

There might be interest-free financing opportunities in line with your work: The most prominent criterion for the award, in addition to the quality, economic effect, and feasibility, was the social impact of the project, which was a good fit for Yakupova's line of work as their craft is promoting Bulgarian cultural heritage. The competition Yakupova took part in aims at reaching small business owners and awarded participants can receive up to 25.000 BGN (around €12.800) interest-free credit.

Social impact is key in the interest-free microfinancing mechanisms: Microcredit is favorable for entrepreneurs or artists as it does not require collateral, however, higher interest rates may be charged. Interest-free micro-credit, thus, offers a significant opportunity in that sense. Collateral free and interest-free micro loan opportunities can be in the form of a competition as in Yakupova's case or there are also initiatives that aims at empowering small businesses with a social impact potential. In this particular case, the Bulgarian microfinance institution was able to support Yakupova and other entrepreneurs with interest-free financing in scope of the European microfinancing mechanism "Progress". Opportunities with interest-free

microcredit often emphasizes the social impact to be generated with that business. This social impact can consist of stimulating local innovation or providing opportunities for vulnerable groups among others. As the social impact is often the core of cultural and creative industries, this financing type can be worth exploring especially for the self-employed.

Sources:

- <https://ustoi.bg>
- <https://ustoi.bg/proizvedeno-v-bulgariya/>