The impact of microfinance on sustainable growth of micro, small and medium enterprises (msmes) - An empirical study on Egypt

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Abstract
    This paper aims to evaluate the perception and expectations of entrepreneurs or MSMEs managers regarding the sustainability compliance and performance of the banking sector in Egypt, as it becomes essential in assessing multi-dimensional sustainable business growth. Therefore, through this evaluation this research aims to assess business growth of MSMEs according to the three performance dimensions of the triple bottom line (TBL) sustainable growth (financial, social and environmental) as well as assessing the impact of microfinance programs on sustainable growth of MSMEs. Accordingly, data were collected through structured and semi-structured interviews and questionnaires with Egyptian entrepreneurs and MSMEs' managers and employees responsible for the banking transactions in MSMEs to analyze the impact of reformed microfinance programs offered by Egyptian banks under the supervision of the central bank of Egypt (CBE) on the MSMEs multidimensional sustainable growth. For the purpose of data analysis, the structural equation modeling (SEM) was applied to figure out the research hypotheses. Microfinance programs contributed in explaining 22.1% of the variation in financial sustainable growth with the highest significant effect. The impact on the social sustainability comes in the second rank, as microfinance contributed in explaining 19.6% of the variation in social sustainable growth. Also, microfinance features have significant effect on environmental sustainability in terms of acceptability and awareness with 42.5%.

1. Introduction

The role of microfinance in developing economies has significantly grabbed attention of both policy makers and the academic researchers in recent years; however many questions about microfinance and its impact remain unanswered in particular the impact of microfinance on the sustainable growth of micro, small, and medium enterprises (MSMEs) in developing nations, this issue is very relevant since the growth of entrepreneurship is a priority on the policy makers agenda towards a comprehensive sustainable economic growth that promotes sustainability from its different aspects; financial sustainability, environmental sustainability and social sustainability for enhancement of the whole society wellbeing.

The Egyptian recent economic reform strategies that promises sustainable long-term development plan to combat poverty and promote economic growth in fast movements and actions; create both opportunities and challenges to entrepreneurs and microfinance institutions. Micro-entrepreneurs' opportunities are increasing every day in developing economies through the governments' encouragement to create a powerful base of successful entrepreneurs who are able to sustain themselves and their families instead of waiting employment and those entrepreneurs are challenged to maintain sustainability of their society and environment beside their financial sustainability. Microfinance institutions (MFIs) also face wide challenges to maintain their financial sustainability without compromising the opportunity to reach out the promising innovative entrepreneurs within the poor societies.

In January 2016, the central bank of Egypt (CBE) introduced the microfinance reform initiative to increase funds directed to MSMEs to 200 billion Egyptian pounds over the following four years at a subsidized interest rate of 5% knowing that the inflation rate at this time was 10.098% and the discount rate was 11.25%. In return the participating banks will be permitted to reduce their level of required reserve held at the central bank of Egypt to help banks maintain financial sustainability. These measures were reinforced by the Egyptian government to improve the financial services outreach and fill the financial gap existed in the Egyptian economy and to prevent the concentration of funding to single sector at the expense of others and fulfill diversity in loan portfolios at banks operating in Egyptian market. Since the launch of the Microfinance reform initiative, a total of 49 billion Egyptian pounds were injected to finance MSMEs till June 2017.

Integrating the concepts of business growth and sustainable development in a new concept of "sustainable business growth", sustainable growth rate was assessed as "the maximum pace at which a company can grow revenue without depleting its financial resources". This definition can also be extended to a broader range of performance objectives, including not only financial and economic resources but also social and environmental capital (Figge et al., 2002).

Sustainable business growth as a company's appropriate pace of growth that increases its financial, social and environmental capital – or at least one of these – without decreasing any of these capital stocks. Although some research has been done on business growth, the interface of business growth and sustainability has been barely addressed. It has been recently demonstrated that sustainability should be embedded at a strategic level to sustain long-term organizational performance, if this is done, it helps firms to overcome challenges such as the ones encountered by growing firms (Armstrong, 2013).

One of the factors that proved to really attain sustainable growth is the microfinance programs and activities (Doshi, 2013). Nowadays, microfinance is considered as an ingredient in helping to eliminate or at least reduce poverty along with other actions such as creating property-rights institutions, involving the base of the pyramid in the market place and providing public work opportunity (Ashta and Fall, 2012).

It was found that the microfinance programs differ in nature according to different banking systems (Rahman and Dean, 2013), which may differ in their nature and impact on MSMEs. The microfinance programs are considered as very important to the micro-businesses startup. In Egypt, the revolutions and the economic and political status since year 2011; had a dramatic impact which in turn affects what the government could provide in its microfinance programs and activities. The relationship between microfinance and sustainable growth of MSMEs had been proven in several previous studies in literature but it was not discussed in Egypt in the recent period after being exposed to several revolutions since year 2011. Thus, this research comes to focus on the impact of microfinance on sustainable growth of MSMEs in Egypt.

The aim of this paper is to assess multi-dimensional business growth (financial – social – environmental) via evaluating perceptions and expectations of entrepreneurs or MSMEs managers regarding the microfinance programs and performance of the banking sector towards the sustainable growth of MSMEs, as well as analyzing the entrepreneurs' opinions, points of view and other gathered data to assess the role of banks regarding sustainability growth and development. Thus, this study is intended to provide micro level evidence for the current performance and future potential of sustainability and social responsibility development practices in banking industry. Therefore, this research comes to explore and investigate the impact of microfinance programs on the sustainable growth of MSMEs to assess the multi-dimensional business growth via evaluating perceptions and expectations of entrepreneurs or MSMEs managers and related employees regarding the microfinance programs.

This paper is organized so that the following section is discussing the review of literature regarding the features of microfinance programs, as well as different dimensions of sustainable growth and their relationship with the features of microfinance programs. The third section is discussing the research framework and hypotheses under study. The fourth section displays the results and findings, while the fifth section is presenting the research discussion and conclusion.

2. Literature Review

The concept of growth both; fascinates and frightens managers. Whether a start-up or a multinational giant, public sector or private sector, almost every company has growth on its agenda. Micro, Small and medium-sized enterprises (MSMEs) are crucial for growth of economies. Also, implementing growth in a sustainable way remains a challenge. By "sustainable", it is meant maintaining stable long-term financial, social and environmental performance. In the long term, the growth of these companies usually requires internationalization, which however presents challenges for MSMEs due to their lack of resources and marketing knowledge needed in order to internationalize successfully. Therefore, this section will present the previous studies related to the microfinance programs and their impact on sustainable growth, as well as the impact of microfinance features on MSMEs sustainability. In addition, the assessment of the role of business location especially for micro enterprises located in remote areas and their ability to access financial banking services or they can be reached only through NGOs. As well as the business sector role in in the relationship between both; microfinance programs and their features on one side and the sustainable growth of MSMEs on the other side.

2.1 Micro-Finance of Micro, Small and Medium Enterprises (MSMEs)

Microfinance has its roots in theoretical views and paradigms on who the poor are and how to assist them out of poverty. Therefore, contextual appreciation of the meaning of poverty helps clarify the philosophy behind the principles which underpinned early development of microfinance activities. The World Bank described poverty as pronounced deprivation in well-being. However, Sen (1987) defined poverty as deficiency due to lack of resources, both material and nonmaterial, e.g. income, housing, health, education, knowledge and culture.

Moreover, Haynes (2008) added that poverty requires a threshold to measure it. Quite often poverty leads to social exclusion, which refers to the inability to participate in society due to lack of resources that are normally available to the general population (Toindepi, 2016). Therefore, the process of lifting the poor out of conditions of poverty involves transforming the economic capacity of those poor individuals. Thus, as Hulme and Mosley (1997) put it, the principle of microfinance focuses on equipping the poor people to take an active role economically in their lives through financial and technical support that encourage enterprise development.

The term "microfinance" in its modern usage has the roots from the 1970s owing to successful pilot microcredit lending programs. Evidence shows that modern microfinance is subscribed to lending activities (Srnec and Svobodová, 2009). Theoretically, the potential role of microfinance in aiding economic development through entrepreneurship and employment creation and consequently help improve the overall well-being of masses of poor individuals around the world is beyond questioning (Hulme and Arun, 2009). In practice, however, microfinance have become a financial sector characterized by, uncertainty and ambiguity in whether its primary focus should be poverty alleviation, program profitability or both (Duvendack et al., 2011).

There is substantial evidence that small firms have less access to formal sources of external finance (Beck and Demirguc-Kunt, 2008; Kuntchev et al., 2012) for developing economies. Beck et al. (2006) found that younger and smaller firms report higher financing obstacles, while Beck et al. (2007) concluded that small firms use less external finance, especially official banking finance. In terms of small sized businesses, it is very difficult to generalize about capital structure issues because of the differing size of small businesses, nature of the firm, the external environment and context diversity. In particular, smaller firms are numerous and make a significant contribution to economies, but, as indicated above, are more constrained in raising external finance.

Microfinance approaches are influenced by the underlying motivations and philosophies of different players (Gueyié and Fischer, 2009; Morduch, 2000; Mcguire and Conroy, 2000), whether to focus on social or economic performance or both with others adding the environmental dimension as well, making it difficult to establish a universal best practice model for microfinance. The overall agreed microfinance best practice includes social, economic and environmental considerations covering sustainability, product innovation and services, pricing and product costing and clientele targeting and outreach as key underpinnings of best practice models (Barnes and Sebstad, 2000).

Furthermore, best practice should achieve international standards of sound financial performance, program transparency through reliable reporting systems and minimize environmental impact while effectively promoting wide social impact on the poor (Duvendack et al., 2011).

2.2 Relationship between Microfinance Programs and MSMEs Sustainable Growth

The mobilized communities of the Arab-Islamic world and MENA region are progressively calling for their 'green' rights under the impact of NGOs, opposition political parties, social movements for indigenous, civil and human rights, and so on. The contributing nature of these new social relations states that all global commons (e.g., land, water, food, education, culture, etc.) should be placed at the core of an empowerment procedure according to which individuals and social groups have the full right to demand the identification of the unchallengeable core of the commons themselves. Guided by this self-governing autonomous system, the common good goes past the sum of individual goods and each citizen is thus requested to visualize and comprehend alternate patterns of ecological and human development.

Eco-communities are preparing for this essential process that involves, as an example, environmental and labor movements and organizations. Nevertheless, some evolving Value-based Social Movements (VSMs) are already considerably aiding the rising tide of social mobilization for sustainability. Furthermore, nothing precludes that eco-Islamic beliefs and values could obtain public legitimation or impose on socio-ecological activism in the MENA region. Regardless, the intentional democratic practices and the comprehensive policy-making and policy-delivery systems that are usually supported by social movements for sustainability may raise chances of long-term victory in environmental policy-making (Vincenti et al., 2016).

Incorporating sustainability into business practice presents many challenges, not least for the resource restrained MSMEs. It was argued that a network perspective has lots to propose in smoothing the transition on the way to a network level culture of sustainable business practices. Moreover, it was suggested that the malleable and entrepreneurial nature of small enterprises and their utilization of the network can offer important vision into the essential conditions for societal change. Jämsä et al. (2011) supplied theoretical insights into sustainable small enterprises utilization of networks. First, they presented empirical evidence about the small enterprises' sustainability reflecting to enterprises' networks. Second, the sustainable small enterprises networking activities were linked to development in the network. Furthermore, these inferences relate largely to learning in the network and prompting learning in the suppliers' businesses. Their findings propose that networks can assist as an avenue for change and that social capital and network learning can improve this change.

Ciasullo and Troisi (2013) used a case study to illustrate how a small – medium enterprises and naturally micro enterprises undertake a sustainable responsibility corporate strategy approach, analyzed how it generates strategic integrated sustainable value and how corporate sustainability (CS) dynamics reflect on improving intangible assets. Particularly, it was shown that the firm's corporate strategy originates from a system of implanted ownership values and beliefs, directed to entrepreneurial development, environmental safeguarding and social value formation for the region. Moreover, a personal value system, codified through a clear definition of vision and mission in terms of basic strategies reinforces trust, dialogue, stakeholder involvement, skills and knowledge development; in short responsible citizenship. The firm's conventional links with the territory augments a brand of market value developed on strategies sustained by structural, human and relational capital. The firm's employing CS strategies has shaped a system of eco-innovation: a continuing process of R&D and product-process innovation and by joining environmental awareness and product differentiation, high quality and innovation standards has positioned the firms under study as leaders in the green industry.

Most development policies in the developing countries have concentrated on inducing assets and giving access to these types of capital to the poor. The social capital plays a main role in aiding households to benefit from human capital resources that become accessible in the form of new cultivation practices and knowledge concerning technologies. It is claimed that social capital plays a critical role in smoothing adoption, and defeating constraints of absence of financial, human and natural capital (Abul Hassan, 2014).

3. Research Methodology

This section discusses the research method that was applied in carrying out the study. This study is an exploratory in nature that employs quantitative methods to fulfill the objective of this investigation. Therefore, the research is designed and the sample is selected according to the research framework and the research hypotheses.

3.1 Identification of Variables

Table 1 shows the identification of the research variables and how each variable was measured and adopted. The research variables were identified according to the studies of Salem (2013), Obadeyi (2015), Unit (2015), Akao and Managi (2006) and Abdali (2011), as follows:

Research Variables	Measurement Scale
Microfinance program - Acceptability (Salem, 2013; Obadeyi, 2015)	1. My company is supported with good and helpful microfinance development programs that help in in improving entity position.
	2. The microfinance requirements and procedures are easy to fulfill and attainable for my company.
	3. The government announcements initiatives in supporting microfinance development programs are implemented by banks in reality according to my company experience.
Microfinance program Availability (Unit, 2015)	1. Regulations for microfinance programs facilitate a variety of channels for distribution.
	2. Microfinance development programs are available to all entities with equitable conditions.
	3. Regulations allow a wide range of actors to serve as agents and enable all providers of financial services to have agents.
Microfinance program – *Affordability* (Unit, 2015)	1. Account-opening requirements for savings products are proportionate.
	2. Microfinance development programs are provided with low interest-rates
	3. There is a trade-off between low interest-rates and quality of service provided by microfinance programs providers.
Microfinance program – *Awareness* (Salem, 2013)	1. Microfinance is a social investment by nature.
	2. There is a trade-off between financial and social performance in microfinance programs applied to my company
	3. My company chose its microfinance program after a good understanding of all programs available and their implications.
Sustainable Growth- *Financial Growth* (Akao & Managi, 2006)	1. Outcomes in my company are based on the achievement of broad financial goals.
	2. Operation policy of my company promotes competition.
	3. Operation policy of my company promotes cooperative conditions.
	4. My Company works on maximizing the amount of goods and/or services produced/rendered
	5. My company works on maximizing the efficient use of natural resource flows
Sustainable Growth- *Social Growth* (Abdali, 2011)	1. Competitiveness in my company is based on capabilities like; skills and innovation.
	2. My company promotes investment in people and supports training and development programs for its employees.
	3. My company identifies and prioritizes key human resource issues and problems.
	4. My company share innovative and best practices in skills development
	5. My company promotes social conditions and good working conditions for employees.
Sustainable Growth- *Environmental Growth* (Akao & Managi, 2006)	1. There is active recycling program that my company applies for waste.
	2. My company has no harmful effects on the environment by the production sector
	3. The waste of my company production negatively affects the environment.
	4. The dependence on materials extracted from nature is minimal
	5. Pollution in my company is considered from both sides; production and consumption.

Table 1: Research Variables and Measurement Scale

3.2 Sampling

All micro, small, and medium enterprises (MSMEs) working in Egypt as per the central bank of Egypt definition amendment in December, 2015 are considered the population of the study. The sample was selected using the clustered sampling technique from different cities of Egypt. Entrepreneurs were contacted via emails and phone calls, with a targeted number of 800 companies. A number of 432 companies responded with a response rate of 54%, while the valid responses of 402 responses were only considered after deleting responses with missing cells.

3.3 Data Collection

The first step in data collection was organizing focus groups consisting of entrepreneurs and banking professionals to verify the tested variables, sustainable growth dimensions and statements to be used in questionnaires. A number of 3 groups, each including 5 experts. The second step was to carry out a pilot test involving 50 respondents to evaluate the completeness, precision, accuracy and clarity of the questionnaires. This ensured the reliability of the data collection instruments used. After the amendment of the final questionnaire, the researcher explained the purpose of the research and sought permission from the institution to carry out the actual research.

Then, data were collected through the structured questionnaires directed to entrepreneurs in Egyptian market and MSMEs' managers and employees responsible for the banking transactions in MSMEs to investigate the sustainable growth dimensions impacted in relation to the microfinance programs provided by Egyptian banks under the supervision of the central bank of Egypt (CBE).

The respondents were requested for their time prior to sending the actual questionnaire. The final questionnaires were distributed to the respondents. This enhanced the accelerated data collection. Each completed questionnaire was treated as a unique case and a sequential number given to each. The collected data were reviewed and entered into SPSS – version 24 – and AMOS – version 23 -to enable the carrying out of the analysis.

3.4 Research Approach

According to Armstrong and Kotler (2009), "Primary data consists of information collected for the specific purpose at hand". The research design used is **conclusive with descriptive purpose**, as the goal of the research is to describe the impact of microfinance programs on sustainable growth of MSMEs in Egypt. Descriptive research of this type may be required in relation to one point in time. This is called a **cross-sectional study** which involves the research being undertaken to explore what occurs at that particular point in time. The cross-sectional investigation is the most commonly used descriptive research proposed in research, as a lot of research studies are intended to obtain a picture of economic situation at one spot in time (Wilson, 2006).

The **deductive approach** in this study works from the general to the specific, also from theoretical assumptions to answering questions of the study surrounding a specific phenomenon, using a theoretical framework including: (1) Definitions of the concepts or variables in the model; (2) Developing a conceptual model providing a descriptive representation of the theory (Sakaran and Bougie 2010).

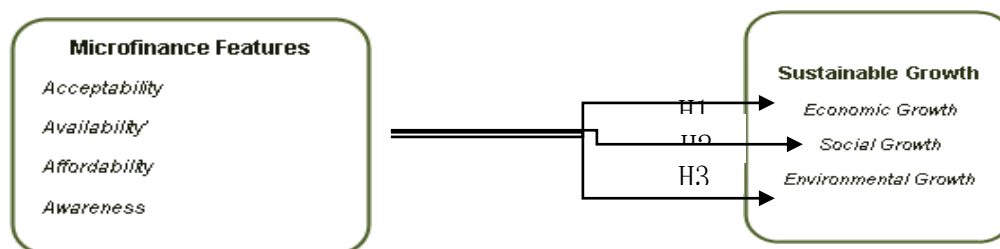**The research framework could be addressed using Figure 1:**

Figure 1: Research Framework

According to the above-mentioned framework, the research hypotheses could be addressed as follows:

H[1]: There is a significant relationship between Microfinance Programs features and MSMEs Financial Growth.

H1a: There is a significant relationship between Acceptability and MSMEs financial Growth

H1b: There is a significant relationship between Availability and MSMEs financial Growth

H1c: There is a significant relationship between Affordability and MSMEs financial Growth

H[2]: There is a significant relationship between Microfinance Programs features and MSMEs Social Growth.

H2a: There is a significant relationship between Acceptability and MSMEs Social Growth

H2b: There is a significant relationship between Availability and MSMEs Social Growth

H2c: There is a significant relationship between Affordability and MSMEs Social Growth

H[3]: There is a significant relationship between Microfinance Programs features and MSMEs Environmental Growth.

H3a: There is a significant relationship between Acceptability and MSMEs Environmental Growth

H3b: There is a significant relationship between Availability and MSMEs Environmental Growth

H3c: There is a significant relationship between Affordability and MSMEs Environmental Growth

The following section presents the main findings using the structural equation modeling (SEM), conducted between the research variables after checking the validity and reliability of the research variables and confirming that all values of KMO, AVE and factor loadings are within their acceptable levels of 0.5, 50% and 0.4 respectively. Also, Cronbach's alpha was found to be above 0.7.

4. Results and Findings

This section displays the results and findings of this research using the structural equation modeling (SEM). Table 1 shows the SEM analysis of the impact of Microfinance features; Acceptability, Availability, Affordability and Awareness on Financial Growth. The model fit indices; CMIN/df = 1.265, GFI = 0.961, CFI = 0.985, AGFI= 0.947, and RMSEA = 0.026 are all within their acceptable levels.

It could be observed that there is a positive significant impact of Microfinance features; Acceptability, Availability, Affordability, and Awareness on MSMEs' financial Growth, as the estimates are 0.179, 0.209, 0.231, and 0.177 respectively, as well as P-values are all less than 0.05. Also, the R square is 0.221, which means that the model explains 22.1% of the variation in Financial Growth.

			Estimate	P-value	R Square
Financial Growth	<---	Acceptability	.179	.007	
Financial Growth	<---	Availability	.209	***	0.221
Financial Growth	<---	Affordability	.231	.002	
Financial Growth	<---	Awareness	.177	***	

Table 2: SEM Analysis of Microfinance Activities on Financial growth

This means that the first hypothesis that there is a significant relationship between Microfinance program features and Financial Growth is fully supported.

Figure 2 shows the SEM model conducted for the effect of microfinance activities on financial growth, as follows:
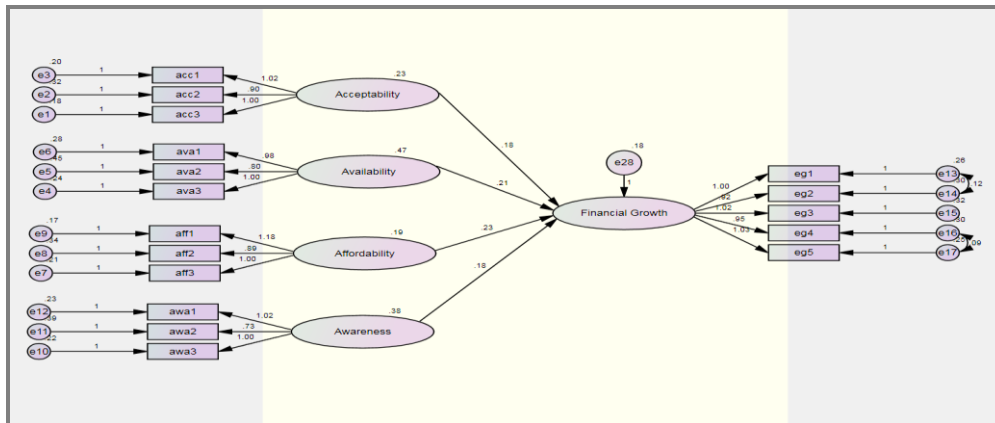

Figure 2: SEM for the Effect of Microfinance on Financial growth

Table 2 shows the SEM analysis of the impact of Microfinance features; Acceptability, Availability, Affordability and Awareness on MSMEs' Social Growth. The model fit indices; CMIN/df = 1.452, GFI = 0.956, CFI = 0.976, AGFI= 0.939, and RMSEA = 0.034 are all within their acceptable levels. It could be observed that there is a positive significant impact of Microfinance features; Acceptability, Availability, Affordability, and Awareness on Social Growth, as the estimates are 0.218, 0.187, 0.269, and 0.202 respectively, as well as P-values are all less than 0.05. Also, the R square is 0.196, which means that the model explains 19.6% of the variation in Social Growth.

			Estimate	P-value	R Square
Social Growth	<---	Acceptability	.218	***	
Social Growth	<---	Availability	.187	***	0.196
Social Growth	<---	Affordability	.269	***	
Social Growth	<---	Awareness	.202	***	

Table 3: SEM for the Effect of Microfinance on Financial growth

This means that the second hypothesis that there is a significant relationship between Microfinance program features and Social Growth is fully supported.

Figure 3 shows the SEM model conducted for the effect of microfinance activities on social growth, as follows:
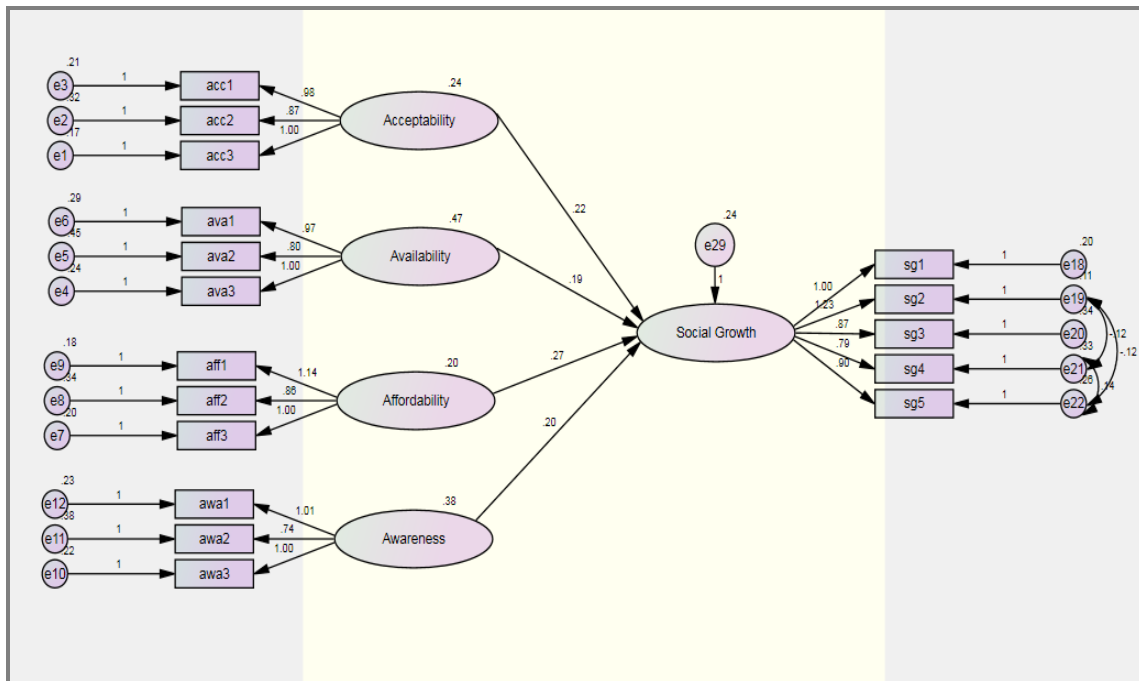

Figure 3: SEM for the Effect of Microfinance on Social Growth

Table 3 shows the SEM analysis of the impact of Microfinance features; Acceptability, Availability, Affordability and Awareness on Environmental Growth. The model fit indices; CMIN/df = 1.077, GFI = 0.971, CFI = 0.996, AGFI= 0.959, and RMSEA = 0.014 are all within their acceptable levels. It could be observed that there is insignificant impact of Microfinance features; Availability, Affordability on Environmental Growth, as the estimates are 0.015, and 0.083 respectively, as well as P-values are all greater than 0.05; while, there is a significant effect of Acceptance, and Awareness on Environmental Growth, as the estimates are 0.315, 0.617 respectively. as well as P-values are all less than 0.05. Also, the R square is 0.425, which means that the model explains 42.5% of the variation in Environmental Growth.

			Estimate	P-value	R Square
Environmental Growth	<---	Acceptability	.315	***	
Environmental Growth	<---	Availability	.015	.761	0.425
Environmental Growth	<---	Affordability	.138	.083	
Environmental Growth	<---	Awareness	.617	***	

Table 4 : SEM Analysis of Microfinance Activities on Environmental Growth

This means that the third hypothesis that there is a significant relationship between Microfinance program features and Environmental Growth is partially supported.

Figure 4 shows the SEM model conducted for the effect of microfinance activities on environmental growth, as follows:
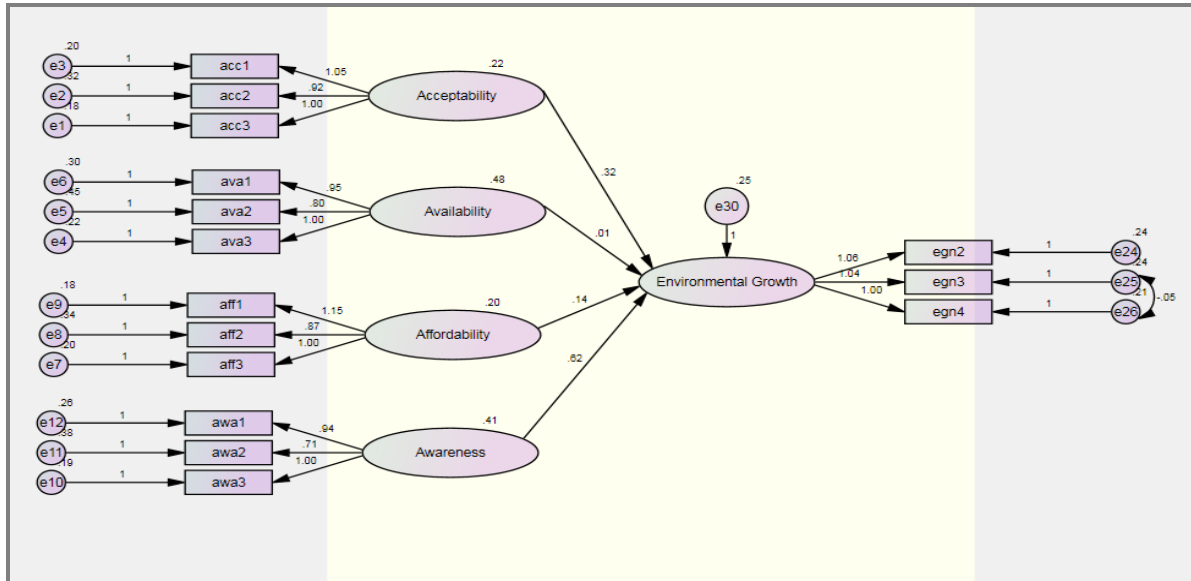

Figure 4 : SEM for the Effect of Microfinance on Environmental Growth

5. Discussion and Conclusion

This paper attempts to study the effect of microfinance activities on the sustainable growth of MSMEs. Microfinance features were observed to include Acceptability, Availability, Affordability and Awareness. On the other hand, sustainable growth of MSMEs includes financial, Social and Environmental Growth. It was observed that there is a positive significant impact of the four features of Microfinance Activities; Availability, Affordability, and Awareness on financial Growth, with R square of 0.221, which means that the model explains 22.1% of the variation in financial Growth.

Further, it was observed that there is a positive significant impact of Microfinance Activities; Acceptability, Availability, Affordability, and Awareness on Social Growth, with R square is 0.196, which means that the model explains 19.6% of the variation in Social Growth. Finally, it was noticed that there is an insignificant impact of Microfinance Availability and Affordability; on the other hand, there is a significant impact of Acceptability and awareness on Environmental Growth, with R-Square of 0.425, which means that the model explains 42.5% of the variation in Environmental Growth.

The above findings show that the impact of microfinance features varies according to the dimension of sustainable growth that the company may focus on. The impact is the highest when considering the financial sustainability as microfinance features contribute in explaining 22.1% of the variation in financial sustainability. The impact on the social sustainability comes in the second rank, as microfinance features contribute in explaining 19.6% of the variation in social sustainability. On the other hand, microfinance features have significant effect on environmental sustainability in terms of acceptability and awareness.

This study provides the first in-depth understanding of the role of microfinance features on sustainable growth of MSMEs in Egypt. This study provides useful research–based findings for relevant policy development in Egypt which might also be relevant for other developing economies. The results obtained implies that decision makers should consider the effect of microfinance features on sustainable growth in both forms of financial and social sustainability, as it contributes in the overall business growth of the country.

The empirical results suggest that decision makers should keep an eye on attracting MSMEs to microfinance programs through improving their financial growth first, as it shows the first priority for

entrepreneurs to be enhanced. The financial sustainable growth will be followed by social sustainable growth in impact and expectations. Also, microfinance programs should be developed to include points and issues of environmental growth in their system, especially for the affordability and availability features.

6. Research limitations

The limitations to this research were mainly the difficulty to reach out the micro businesses and households in remote areas due to several obstacles from which; infrastructure and difficulty to reach extremely poor and remote areas that are reached out only through NGOs and not banks therefore data about this sector is irrelevant to the study. The illiteracy, absence of awareness and poor quality of education resulted in difficulty in understanding and completing so many questionnaires. The reformed microfinance program was launched in December 2015 and call for action plan was announced on Jan 2016; therefore, the time interval is very limited to observe all the impacts of microfinance on sustainable growth of MSMEs.

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