Assessing Role of Financial Institutions in Growth and Productivity of Micro and Small Enterprises in Yirgalem Town Administration; Sidama Zone, Ethiopia

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Authors' contributions

This work was carried out in collaboration between both authors. Author BZB designed the study, wrote the literature, set up objectives and wrote the first draft of the manuscript. Author YSK carried out the analysis and reviewed the first draft manuscript. Both authors read and approved the final manuscript.

Original Research Article

ABSTRACT

MSEs have become important economic activities particularly in providing employment and other business activities for unemployed and low income households. The objective of this study is to determine the role of financial institutions in growth and productivity of MSEs in Yirgalem town. For the study, 132 members of MSEs were randomly selected by using stratified random sampling and data from selected individuals have been collected by using structured questionnaires. Descriptive statistics were used to summarize data and multiple linear regression was used to find the role of financial and non-financial factors in growth and productivity of MSEs. The study result revealed that factors like access to bank and finance, level of criteria expected to fulfill for borrowing, loan sufficiency, inefficiency of time allowed and other support like motivation and training are significant

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predictors from role of bank and micro-finance in growth and productivity of MSEs. Age of the MSEs Members, educational level, main activities, experience, and service were significant demographic factors. The growth and productivity of MSEs increase by 4.409 and 3.2 percent respectively for every one level increase in education holding all other factors constant and like. Thus, minimizing the level of criteria required to access money, improving accessibility of capital, sufficient loan and improving education of the members; it is possible to make MSEs profitable and productive.

1. INTRODUCTION

Micro and Small Scale Enterprises (MSEs) are lifeblood of most economies. With increased urban population, it becomes important urban and rural economic activities particularly in providing employment and other business activities for unemployed and low income households. As far as micro and small enterprises (MSEs) are concerned as part of business enterprises, they need finance to start up, expand, diversify and for working capital of the business firms. Finance is the backbone of any business enterprise including MSEs [1]. The effectiveness and efficiency in performance of these roles depend on the level of development of the financial system, and also on the intermediation between the surplus and the deficit units of the economy. Different study reveals that the financial sector should be improved in a modern financial system which is capable of acting as a catalyst in allocating the economy's savings in the most productive way in order to support emerging MSEs [2].

[3] Broadly we defined financial institution as an organization, which may be either for-profit or nonprofit, that takes money from clients and places it in a variety of investment vehicles for the benefit of both clients and the organization. Common examples are banks, insurance companies, credit associations, microfinance, financial and economic firms and so on. These institutions provide funds for business among which MSEs are mentionable. For both developing and developed countries, MSEs play important roles in the process of industrialization and economic growth. Apart from increasing the per-capital income and output, MSEs create employment opportunities; enhance regional/ sectorial economic balance through industrial dispersal and the promotion of resource utilization. In the western industrial countries, MSEs shares of total employment stands more than 70 percent in the United Kingdom and United States of America [4]. When we come to

our country Ethiopia, its contribution is limited in job creation as it was indicated by [2], its share to total employment is less than 20% even if, it is rapidly increasing in last five years.

Micro and Small enterprises (MSEs) can be defined differently in different place at different time. MSME definitions are context specific and thus vary by country. They are typically based on number of employees, value of sales and/or value of assets. This study follows the classification of MSEs in Ethiopia, which is based on number of employees and capital employed. But, many authors of the world use number of employees to classify and define MSEs. However, in Ethiopia, it depends up on the capital investment of which 20,000 - 50,000 birr for small and less than 20,000 birr for micro enterprises [5].

Whatever is the definition, regardless of the size of the economy the growth of MSEs is becoming increasingly crucial to economic growth. The issue of MSEs development ranks high among the priorities of socio-economic development, given the growing need for employment creation and poverty alleviation [6].

MSEs play a pivotal role in the developmental goals such as in improving living standard, distributing income fairly among different groups, reducing unemployment, fostering linkages among various economic sectors, easy to begin and expand, labor intensive, require of small capital, low technology, little know-how and facilitates import and export transactions among countries [2]. Due to this merit, the sector is receiving due attention of policy makers and development practitioners. Furthermore, MSEs serve as a bridge to reach technically advanced medium and large enterprises.

In dealing with the development of MSEs, financial institutions are essential organs that play key role in this regard. Therefore, access to financial services and institutions is a critical

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element for MSEs growth. However, there appears to be limited evidence that confirms the contribution of financial institutions for growth and productivity of MSEs. To this end, this study significantly place as its main focus, the examination of financial institutions role in MSEs growth and productivity in Yirgalem town administration, Sidama Zone, Ethiopia.

1.1 Statement of the Problem

The MSEs sector plays vital role in the industrial development of the country. [7] Indicated that industrial development was earlier believed to have occurred because of large enterprises. However, starting in the late 1970s and early 1980s, MSEs have become apparent as the key agent for industrialization. It is recognized that this sector provides not only employment opportunities to an increasing number of people in the country, but also an effective means of fighting poverty and income inequality. At the same time, MSEs serve as a training ground for emerging entrepreneurs. It is within this context that MSEs development became focal attention for governmental as well as nongovernmental organizations. This requires bringing the specific needs of the enterprise to the center of the policy-making process, and recognizing that MSEs are to be assisted not because they are small, but because of their capability to be efficient, innovative and able to compete in the local and international markets [8].

However, as [9] noted, in the majority of developing countries, most MSEs activities are undertaken in the informal sector even though they play a major role in economic growth. They use their own saving, reinvestment of profits, and own labor as the main sources for their development. Despite these, their sustainable growth of MESs largely depends on the capacity of financial institutions to mobilize resources from low valued to high valued activities.

Now a days, in almost all economies of the world especially in developing economies like Africa and our country Ethiopia, micro and small enterprises are crucial and a key factor for sustained growth and development [2]. Thus, the government is highly interested to elaborate and describe that MSEs are driving force of economic growth, job creation and poverty reduction for every individuals in Ethiopia and doing to achieve the better result. They have been the means through which accelerated economic

growth and rapid industrialization to be realized. In Ethiopian context, government's strategy, i.e. Growth and Transformation plan (2009/10-2014/15), states that micro and small enterprises are the bridge to achieve the goals of the government. Despite these contributions of MSEs, their major barriers to growth and development appear to be shortage of both equity financing and debt [2].

Lack of adequate financial resources also places significant constraints on MSEs growth and development. MSEs owners complain that lack of access to finance constrains their growth and competitiveness. Indeed, financial sector policies often work against the ability of commercial financial institutions to serve MSEs. Studies conducted so far concluded that the problem of MSEs are access to working capital, inadequate infrastructure, high transactional cost, limited managerial and technical experts and marketing problems [8].

In contrast to this, [10] argued that the major constraint for MSEs growth, expansion, diversification and promotion is not the shortage of access to finance, it is rather lack of access to medium and long-term credit (time duration of credit) that hinders MSEs growth and productivity. There are also some authors who shared the arguments of both sides. [11] Is a good case in point. In their article, they stated that the major constraints of MSEs are not only lack of access to finance but also lack of medium or long term credit, appropriate loan size, technology and know-how. [12] Corroborates that credit constraints constitute one of the main obstacles to growth, expansion, diversification and promotion of MSEs. In addition to the above gaps, the major focus of this research has been on adequacy of loan size, interest rate, loan term, delivery systems, repayment methods, the availability of loan on time (delays in loan request processing) and ranking the problems from the very serious to less serious, since the problem is mostly dominant in Ethiopia.

2. RESEARCH OBJECTIVES AND HYPOTHESIS

2.1 Research Objectives

The general objective of this study is to assess the role of financial institutions, with a particular focus on banks and MFIs, on the growth and productivity of MSEs in Yirgalem Town Administration, Sidama Zone, Ethiopia.

2.2 The Specific Objectives

1. To find out the effects of demographic and socio-economic factors in growth and productivity of MSEs in Yirgalem town.
2. To assess the role of financial institutions in growth and productivity of MSEs operators in Yirgalem town.
3. To examine the effects of non-financial services of financial institutions on MSEs growth and productivity in Yirgalem town.
4. To make policy recommendations on the growth of MSEs based on the findings.

2.3 Research Questions and Hypothesis

With the help of sufficient and appropriate empirical, this study answers the following research questions:

1. What roles do financial institutions play in growth and productivity of MSEs in area?
2. What are the major factors affecting growth and productivity of MSEs in Yirgalem town?
3. What are the major roles of bank and micro finances on growth and productivity of MSEs in Yirgalem town?

In addition to the above research questions, the study tests the following hypotheses.

2.4 Statement of Research Hypotheses

1. H_1- Demographic and socio economic factors has significant effect on growth and productivity of MSEs in Yirgalem town
2. H_1 – The operation of financial services by micro finance institutions significantly influence the growth of MSEs in Yirgalem town
3. H_1 – The provision of financial services by bank significantly enhances the growth of MSEs in Yirgalem town
4. H_1 – The provision of financial services by micro finance institutions significantly influence the productivity of MSEs in Yirgalem town
5. H_1 – The provision of financial services by bank significantly enhance the level of productivity of MSEs in Yirgalem town

3. DATA AND METHODOLOGY

3.1 Research Design

To accomplish this study, the authors used mixed methods approach as suggested by [13], since it gives better result on role of financial institution for growth of MSEs. The role of financial institutions can not only be assessed by single approach, it needs multidimensional approach. The mixed methods approach is a procedure for collecting, analyzing and mixing both quantitative and qualitative data in a single study or a series of studies. Thus, this study uses mixed approach to recommend for the target population.

3.2 The Study Area and Target Population

Yirgalem town is one of the currently developing towns in Sidama zone, which is found at about 47 km south of Hawassa city on the high way through Moyale in Ethiopia. It is densely populated area and many are participating in difference business and non-business activities in which MSEs are the major ones. The town was selected for this study, because it has so many problems that hinders the growth, productivity and has large representation of MSEs members in comparison to other districts of Sidama Zone. Target population involved in the study consisted of all MSEs found in Yirgalem Municipality in Sidama Zone.

3.3 Sampling Technique and Sample Size Determination

The main objective of designing the sampling strategy was to collect data that is representative of the population. Thus, based on their applicability in previous MESs enterprise studies, stratified random sampling method were selected for this study.

By considering the enterprises business activities as strata since they are independent, we have found five stratums for this study. The business product or activities to which MSEs in Yirgalem town are categorized as: Manufacturing, construction, service, urban agriculture, and small trading. A random sample from each stratum is taken in a number proportional to the stratum size of the population. Then, these subsets of the strata are pooled to form a random sample. Then each randomly selected individual were required to fill a questionnaire.

However in the absence of MSEs member, any formally represented adult is required to fill the questionnaire but such condition occurred rarely and commonly it is assumed that the members must come in to the office periodically as it was business.

Having the all above information's, the sampling formula adopted for this study which is taken form [14]) is used to estimate the sample size as it was given below:

$$n = \sum_{k=1}^{5} \frac{N_i^2(p(1-p))\big/w_i}{N^2\big/_{Z\alpha/_2}e^2 + NP(1-P)} \qquad (1)$$

Where;

Based on the data obtained from Micro enterprise office of the Yirgalem town:-

N= 632, K= 5, N_1= 109, N_2= 147, N_3= 107, N_4= 57, N_5=182; where Ni's are total numbers of MSEs members in each business Enterprises. N_1= Manufacturing Enterprises, N_2= Construction Enterprises, N_3= Service Enterprises, N_4= Urban Agriculture Enterprises, N_5= Small Trading Enterprises.

There are different methods of estimating "p" (the probability of success) for calculating sample size of the study, but for the present study "p" was determined from the results of previous studies. A study which evaluates the role of financial intermediation in the growth of small and medium manufacturing enterprises in Nairobi, Kenya by [15] is 49.2%. In order to manage the data properly (considering cost, time and other resources), the level of precision of parameter estimates, e = 0.08 at 8% level of significance. [16] Used 0.08 margin of error for his study on microfinance in rural Ghana.

$$n = \sum_{k=1}^{5} \frac{N_i^2(p(1-p))\big/w_i}{N^2\big/_{Z^2}e^2 + NP(1-P)}$$

$$= \frac{99830.44}{665.4294+156.0939} = 121.5187 = 122(2)$$

Next, 8 percent of the sample size, which is equal to $9.72 \approx 10$, was added to compensate

none response rate. Thus, the required sample size for this study is 132 MSEs members.

Finally, the estimated sample size is allocated to each stratum using proportional allocation.

3.4 Source and Method of Data Collection

This study uses primary data and some secondary information. The primary data were sourced through a well-structured questionnaire. The researcher utilized a questionnaire to obtain information needed on role of financial institution, microfinance and small enterprise growth and performance. Interview sessions were also scheduled with some of the Banks visited to document the process, nature and mode of operation of micro financing in Yirgalem town. Also, some secondary information were obtained from the Microfinance Bank records through clients' membership cards.

The cross-sectional survey was conducted in May 2015 in different sector of MSE in Yirgalem town. From the whole members of MSE members, samples of 132 randomly selected individuals were surveyed by using stratified random sampling method using well-structured questions.

3.5 Variables Under study

3.5.1 Dependent variable

The dependent variable considered for this study is Business growth by MSEs. Since the growth of MSE cannot be specified by measuring only one situation, rather it is better to consider growth in two dimensions as SBG (small business growth) and MSEs productivity. SBG (small business growth) is measured by considering current sale divided by base year sale in the business year. But this business year can be taken as the year certain firm has been existed in the market from the maximum of five year [17] i.e. the study considers the growth for only five years and for some firms who stayed for less than five year were also considered taking the growth for given budget year.

$$Gr = \{(S_t/S_0)^{1/n} - 1\} \times 100 \qquad (3)$$

Where St-the current sales level, So-the base year sales value, n-the number of years considered for study while Gr-the annual rate of growth as it was defined by [18].

Table 1. Number of MSE members taken from the selected PSU at Yirgalem town

Products	Ni	Wi=Ni/N	wi*132	Ni
Manufacturing	109	0.172	22.766	23
Construction	147	0.233	30.703	31
Service	107	0.169	22.348	22
Urban Agriculture	87	0.138	18.171	18
Small trading	182	0.288	38.013	38
Total	632	1	132	132

The second response variable (productivity) of MSEs can be measured as change in sale (output) divided by change in cost (input).

$$productivity =$$

$$\frac{\Delta output}{\Delta input} = \frac{CurrentSale - BaseYearSale}{CurrentExpense - BaseYearExpense} \quad (4)$$

3.5.2 Independent variables

The independent variables considered in the study are the following:

1. **Demographic and Socio economic variables**: These includes: age, sex, household size, marital status, educational back ground, position in the company, service year, main business activity, business year, ownership type, average number of employee during operation years, market competition, sales and expenditure in your business year.
2. **Factors of role of banks and MFIs in growth and productivity of MSEs:** Access of finance, reasons for not access of finance, have you ever been asked loan from either bank or microfinance?, time allowed to repayment the loan, criteria to give the loan, level of criteria, is loan sufficient, repayment problem, types of collateral, purpose of loan, what is the purpose of loan, treatment of repayment problem, source starting capital, other support taken from the financial institutions and other special products and service deliver from the financial institutions.
3. **Some other factors growth and productivity of MSEs:** How do microfinance institutions helps for growth and productivity of MSEs, Do microfinance institutions have special products and services designed for your business growth and productivity of MSEs, source of finance for expansions their business, rank source of finance meets the finance needs, role of banks and micro finance for growth and productivity of MSEs,

3.6 Methods of Data Analysis

After collecting the data, both descriptive statistics and inferential tools were employed so as to investigate the role of financial institution in the growth of MSE in Yirgalem town. Descriptive statistics were used to assess the role of financial institution in growth and productivity of MSE and the analytical techniques employed for this study is multiple linear regression analysis to see the relationship between business growth and productivity of MSE and different factors affecting them [19,20]. Analyses were done using SPSS statistical package version 20.

By considering Y as a Response Variable and $X_1, ...X_k$ as explanatory variables:

The model can be expressed as $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \cdots + \beta_k X_k + \varepsilon \quad (5)$

$E(Y) = \hat{Y} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \cdots + \beta_k X_k$ Model (which is an Extension of Simple Regression):

Multiple Regression Analysis I- The Role of Financial Institutions on growth of MSEs

$$\boldsymbol{SBG} = f(x_1, \cdots, x_n) + \varepsilon = B_0 + \sum_{i=1}^{n} B_i x_i + \varepsilon = B_0 + B_2 x_2 + B_2 x_2 + \cdots B_n x_n + \varepsilon \quad (6)$$

Where, SBG = dependent variable- a measure of small business growth;

X = a vector of explanatory variables i.e. demographic, socio economic, and factors of role of banks and MFIs in growth and productivity of MSEs that pertain to business growth

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$\beta_0 \rightarrow constant, \beta_1, \beta_2, \cdots, \beta_n$; are regression coefficients which determine the contribution of the independent variables on the outcome variable, ε = random disturbance term or residual or stochastic term

Multiple Regression Analysis II – MSEs productivity

The general form for the model is:

$$EPr = f(x_1, \cdots, x_n) + \varepsilon = B_0 + \sum_{i=1}^{n} B_i x_i + \varepsilon$$
$$= B_0 + B_2 x_2 + B_2 x_2 + \cdots B_n x_n + \varepsilon \qquad (7)$$

Where, EPr = is the dependent variable which indicates MSEs productivity.

B_0 = constant, X = explanatory variables of key predictor of MSEs productivity

3.7 Parameter Estimation and Model Adequacy Checking

In this study, the researcher has used ordinary least square (OLS) estimation method which is appropriate technique for estimation of coefficients in linear regression model.

Thus, we estimate parameters by minimizing the error sum of squares, i.e.

$$\sum_{i=1}^{n}(Y - \hat{Y})^2 = \sum_{i=1}^{n}(Y - (\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \cdots + \beta_k X_k + \varepsilon)^2 = i=1nei2 \qquad (8)$$

- By partial derivating the residual with respect to each parameters i.e. beta's, we can estimate the regression coefficients.
- The estimated Regression coefficients (β_i) can be interpreted as; the effect of increasing X by 1 unit, holding all other predictors constant.

3.8 Assumptions

- The regression model is linear in the parameters, that is: $Y = \beta_0 + \beta_1 X_1 + \cdots + \beta_k X_k + \varepsilon$ (the relationship between the response and explanatory variables are linear)
- The error term are normally distributed with mean 0 and variance σ^2, Ni (0, σ^2)
- The error term are independent for all combination of the value of the independent variable ε ($\mu_i \mu_j$) =0 for all i≠j.

- The explanatory variables should be measured without any error

After estimating the population parameters from the data, we can check the assumption of the model and also assess the fitness of the model.

After estimating the parameters, we test its significance of the overall model and individual parameters using F-test and t-test respecting.

3.9 Checking for Model Assumptions

The above assumption of multiple linear regressions: Checking for Linearity, Checking for Constant Variance, Checking for Normality and Checking for Independence can be evaluated by using different plots like.

3.10 Residual Analysis

Residual analysis: It is measure of variability that left an explained by the regression model thus any departures from the assumption on the error should show up in the residual.

It is analysis effective through plotting these piloting are normal probability and plot of residual against fitted value. ACF of residual and hetroschedasticity has been checked to examine the model adequacy. Also, Histogram with normal curve, Q-Q plot, Normality plots and etc.

4. RESULTS AND DISCUSSION

4.1 Demographic Characteristics of the Respondents

As it was indicated in Table 2, out of 132 individuals surveyed: 27% are females and the remaining 63% are males. This indicates that many participants of MSEs are males. Among those participants: about 30.3% are in Trade business, 25.75% are in the manufacturing business activities, 17.42% are in urban agriculture activities, 16.67% are in service business activities and 9.84% are in construction business activities.

Regarding the age of business, 61.36% of survey respondents' firms were 26-35 years old while 23.48% indicated that their businesses existed for 18-25 years, 12.12% indicated their business existed for 36-45 years old are while the remaining 3.03% businesses existed 46-55 years old.

Table 2. Demographic variables vs. main activities of the MSEs

Variable	Category	Count	Percent	Variable	Category	Count	Percent
Age	18-25	31	23.48	Sex	Female	36	27.27
	26-35	81	61.36		Male	96	72.73
	36-45	16	12.12	Responsibility	Managerial	82	62.12
	46-55	4	3.03		owners and manager	24	18.18
Education status	Illiterate	3	2.27		sells person	21	15.91
	1-8	27	20.45		Others	5	3.79
	9-12	54	40.91	Service	below 1 year	2	1.52
	TVT	29	21.97		1-3 year	50	37.88
	Diploma	17	12.88		3-5 year	42	31.82
	Degree & above	2	1.52		above 5	38	28.79

Regarding educational status, about 40.91% of survey respondents were 9-12 (secondary school), while 21.97% hold TVT certificates, 20.45% in between 1-8 (primary school), 12.88% holds diploma, 1.52% had a Master Degree or above in a particular profession and 2.27% are illiterate as it was indicated in (Table 2). Among those all respondents, about 30.30% are in Trade business, 25.75% are in the manufacturing business activities, 17.42% are in urban agriculture activities, 16.67% are in service business activities and 9.84% are in construction business activities. When we come to the age of business or the service years, below 1 year 2 (1.52%), 1 to 3 years 50(37.88%) 3 to 5 years 42(31.82%) and 38(28.79%) of survey respondents' firms their businesses existed for more than five years (Table 2).

4.2 Descriptive Summary on Role of Banks in the Growth of MSEs

To capture information regarding the relative importance of banks in MSEs growth, survey respondents were asked about the accessibility of bank products and services. About 30.23% of survey respondents had access to financial resources from banks and 69.77% had no access to the financial resources provided by banks. In order to investigate factors for inaccessibility of bank loans, survey respondents were asked to indicate the reasons. As presented in appendix (Table 3), some MSEs were discouraged from applying by high collateral requirement (42.26%), difficulty of processes involved (43.16%), high cost of borrowing (7.37%) while some were due to lack of knowledge about the facility, or where and how to apply or no need of credits (2.11%) and fear of repayment ability (2.11%).

To investigate the real accessibility of bank loans, MSEs that had access to financial resources were asked whether they ever applied and received bank loan. Among individuals 66% asked the bank credits and 34% haven't asked the credits for the enterprises. The use of collateral/guarantee to secure loans was also quite common among all types of lenders (except informal sources such as *iqub*, friends and relatives) with noticeable differences in the extent of coverage which is similar with study by [21] and significantly differs with study by [22]. Looking at Table 3, it can be noted that the criteria in granting bank loans were based on various types of securities/guarantee. About 81.45% (101) of survey respondents that had access to bank loans indicated enterprises must have valid documents of property ownership certificate while 10.48% (13) were showed that enterprises must present third party guarantee as collateral. The rest of survey or 8.06% (10) respondents indicated that banks were assessing previous loans records and current business status others.

As Table 3 presents, 32(30.47%) of survey respondents indicated that bank loans criteria is easy for the MSEs to meet were strongly disagree, 42(40%) are disagree to meet the bank loan criteria, 24(22.86%) are agree to assess the bank criteria and 7(6.675%) are strong agree to assess the bank criteria. The majority of respondents responded the criteria needed to meet bank loan are difficult were strong disagreeing assess of the bank loan for growth and development of the MSEs in Yirgalem town.

Despite the common belief that bank loans are typically used for medium and short-term financing requirements, a large number of the survey respondents indicates that bank loans were also used to purchase of long lived assets like business house and machinery 30.34%. It was also found that MSEs used bank loans for

the payment of previous loans 9(10.11%). Among the 89 MSEs which actually applied and received banks loans, 50.82% had difficulties in paying back the loan while the remaining 49.18% did not face any problem in paying back the borrowed funds (Table 3). About 73(55.73%) of survey respondents had access such as saving and payment facilities to other than loans while 43(32.82%) and 15(11.45%) had received third party (trustee) asset management and ongoing business monitoring services respectively. The rest was for those which have no access to bank additional products and services (Table 3, Appendix).

4.3 Role of MFIs in the Growth of MSEs

The objective of microfinance is to broaden access to financial services for lower income levels and increases the amount of undertaken productive projects by inclusion into the financial sector. MFIs are supposed to be different from other financial institutions in that they are believed to serve the microfinance needs of those who are understood by banks. Several parameters can be used to assess the extent to which MFIs are actually doing this. These include accessibility, criteria used, package of services delivered, adequacy of loan amount, and appropriateness of the loan duration and timeliness of disbursement.

According to the data presented in appendix (Table 4) 87.79% of survey respondents had access to and receive financial resources from MFIs and 12.21% does not access to receive financial resource from the MFIs. Accessing credit is considered to be an important factor in increasing the development of MSEs. Other result depicts that, around (21.21%) said that MFs loans criteria were easy to meet, (34.09%) of respondents disagree the criteria. (29.55%) agree the criteria of easy to meet.

Table 4 in appendix, out of the survey respondents that had access to MFIs credit received loans with a maturity period of time allowed are enough, the respondents 41.13 strongly disagree, 32.26% disagree 13.71% agree 12.90% strongly agree indicating time allowed are not enough to the MSEs. In terms of loans purposes, about 47.2% of survey respondents indicated that MFIs loans were most commonly used for the purchase of inputs/raw materials while 36.8% and 16% said that they were used to purchase long lived assets like business house, machinery and payment of previous loans respectively (Table 4, appendix).

Also, among the total numbers respondents who actually received MFIs loans, 33.6% had problems in paying back their loans. The rest 66.4% did not have any problem in paying back the loans. Inflexibility of loan period in accordance with the working condition of MSEs, failure of the business venture and market conditions were among the problems encountered by MSEs. Sometimes, MFIs had provided some remedies to MSEs to tackle such problems such as postpone payment date instead of forcing for immediate payment, refinancing future potential projects, and make constant supervision of business activities which is similar with study by [23].

Survey respondents were also asked about the additional product/services apart from financial services offered by MFIs. In this regard, 59.09% of the respondents indicated that MFIs help them in setting up their business plans and control their business activities. About 24.24% indicated that saving service, 8.33% insurance and asset management.

4.4 Multiple Linear Regression Analysis

To see the role of financial institutions on growth and productivity of MSEs, it's not enough to discuss only the financial part, rather it is very important to include the non-financial and demographic factors that affect growth and productivity of MSEs in Yirgalem town. Thus, by considering the above factors in categories, we can optimal incorporate the role of financial and non-financial and demographic factors for the growth and productivity of MSEs in the town using multiple linear regression model.

4.4.1 The role of financial institutions on growth of MSEs

Before discussing and modeling about the role of financial institutions in growth of MSEs, fist we have to check the goodness of fit of the model. The goodness of fit of the model is checked using R-square, F-test, VIF, DW test, plotting squared estimated residuals against time or response and etc.

R-Square Test: It is used to see the explanatory power of the model, i.e. How the business growth were explained using factors or variables considered under study.

The results from analysis in the above table indicates about 63.6% of variation in the business growth can be described using factors or variables considered under this study and the

remaining 24.4% of variation on growth of MSEs in Yirgalem town is explained by some other factors that were not considered under the study. Thus, we can say that the model is good fitted and we can incorporate further analysis to give detailed explanation about the study. Also, the Durbin Watson test is 1.98 which is closer to 2 indicating no autocorrelation.

F-Test: It is used to test the overall significance of the model i.e. we test the hypothesis that all factors considered are not significant (important) for growth versus significant or at least one is significantly different from the rest and we check it using ANOVA as it was show below.

The results in table above indicates that the overall model is significant, since (p-value=0.000 is less 5% at 5% level of significance), i.e. at least one factors considered under the study is important in explaining the growth of MSEs in Yirgalem town. To differentiate which factors are significant or important, we analyze multiple linear regression model.

4.4.2 Hypothesis testing and interpreting coefficients from the output in growth of MSEs

H_0- The demographic and socio economic factor does not have significant contribution in growth of MSEs versus H_1-not H_0 (at least one of the factors is significant)

From the output of multiple linear regressions below, we can interpret the coefficients as follows (Table 5): The variables like: Age, Educational status, service, Main Activities and Work Experience are significant predictors of role of financial institution in growth of MSEs in Yirgalem town; since the P-value for those factors are less than 5% at 5% level of significance. Thus, we reject the null hypothesis and conclude that five of demographic and socio economic factors has significant effect on growth of MSE in Yirgalem town.

When we consider the Age of MSEs members; the coefficient (Beta=4.898), which means that as one level increases in the age of MSEs members, the business growth will increase by around 4.9 holding all other factors constant. As one becomes more elder and elder, his or her business activity will increase and an individual becomes more productive. Considering the Educational status of MSEs members, the coefficient is 4.409, indicate that as one level

increases in the education, the business growth will increase by 4.41 percent holding all other factors constant. As we know that, if some-one educates more, then he or she will become more competent in any activities including business. The beta for service year is 5.734 with its p-value=0.036. It is significant indicating that, when the service year increases by one level, while the other independent variables remain constant, the business growth increases on average by 5.734 percent. The main activities the MSEs have involved is significant in describing the role of financial institutions in growth of MSEs, since p-value=0.025 less than 5%. This may be due to the choice of activities in the specific areas. As we choose right activities to the place where the most customers were found, then we can be a successful in the business that we are running. Concerning the work experience of the MSEs, the variable is significant (since p-value=0.001) indicating that ever one year increase in business, the business growth of MSEs in Yirgalem town can increase by around 4 percent holding all other factors constant. This is due to, as one become more experienced then, he/she will become more competitive and productive in business. Also the coefficient is positive indicating the positive relationship between experience and growth. These above factors are significant in explaining the role of financial institutions in growth of MSEs in Yirgalem town from demographic and socio-economic variables which is similar with study by [22].

H_0- The role of bank does not have significant effect in growth of MSEs in Yirgalem town versus H_1-not H_0 (at least one of the factors is significant)

The significant variables or factors from role of bank in growth of MSEs are: Access to bank, Reason for none-access for bank, access bank criteria, loan criteria, level of criteria for loan, reason for alternative bank access, other special important development factors and sufficient loan are all significant, since their p-value is less 5% at 5% level of significance, similar results were obtained by [21]. That means, we reject the null hypothesis and conclude that the role of bank has significant effect on growth of MSE since; eight of those factors considered from the bank are significant in describing role of bank in growth of MSE in the area and then, we interpret the amount of change in business growth for ever one level change in those factors as follows.

Table 5. Model summary for growth of MSEs

Model	R	R square	Adjusted R square	Std. error of the estimate	Durbin-Watson
1	0.77	0.652	0.636	3.699	1.985
b. Dependent variable: Business growth					

Table 6.ANOVA table for growth of MSEs

Model		Sum of squares	Df	Mean square	F	Sig.
1	Regression	21975.27	23	955.45	3.8801	0.0000
	Residual	26617.6	108	246.46		
	Total	48592.87	131			
b. Dependent variable: Business growth						

Access for bank is significant variable with its p-value=0.006 indicating that there is significant negative relationship between access to bank and business growth by MSEs. Meaning to say that most MSEs members responded that there is no access for bank due to different problems. Beta for bank access is -2.2 indicating the business growth will decrease by 2.2% for those who do not have bank access holding other factors constant. This is due to lack of sufficient amount of finances from the bank to the MSEs which leads to un-availability of finance to be accessed from the bank to run the business. Most responses indicate non accessibility of finance and the reason is significant showing that the business growth will increase by 2.34% if the bank does not need difficult reasons like: high collateral, heavy procedures, and the like to access finance from the bank. Banks need high collateral, and also the procedures are difficult to access finance those why the situations are difficult to run by members of MSEs in the area.

H_0- The role of microfinance does not have significant effect in growth of MSEs in Yirgalem town versus H_1-not H_0 (at least one of the factors is significant)

Factors like Access to MF (β= 2.248 & p-value=0.022) -as access of finance from microfinance increases by one level, business growth by MSEs increases by 2.248 holding all other factors constant, Ask Credit (β=1.987 & P-value=0.043), Time allowed mf (β=-1.327 & P-value=0.019)-as time allowed to repay the loan from microfinance decreases by one year, business growth by MSEs decreases by 1.327 holding all other factors constant, Criteria Mf (β=-2.056 & P-value=0.018), and other Support Mf (β=3.552 & P-value=0.003)- as some development motivation and support from microfinance increases by one level, business growth by MSEs increases by 3.55 holding all other factors constant. Thus, we reject the null hypothesis and conclude that role of the microfinance has significant contribution for growth of MSEs in the Yirgalem town at the chosen level of significance.

When considering the variance inflation factors (VIF) for variables explaining growth of MSEs, VIF of all explanatory variables are less than 10 indicating that there is no perfect multicollinearity between the explanatory variables i.e. the explanatory variables are not perfectly correlated with each other.

4.4.3 The role of financial institutions on productivity of MSEs in Yirgalem town

The model summary table indicates the variation of response variable explained by explanatory variables used in the model. As it was shown, about 60 percent of variation in productivity of MSEs in Yirgalem town is explained by using given explanatory variables under study. This indicates that the model is well explained on average and we can say that the model is good model and the remaining 40% of variation is due to some other factors.

Also, the Durbin Watson test of autocorrelation is 1.896 which is closer to 2 indicating that there is no autocorrelation.

The significance value of the F statistic is less than 0.05, which means that the overall model is significant i.e. at least one of the factors used in the model is important in explaining the productivity of MSEs in Yirgalem town.

Table 10 shows that the effect of analysis of micro-financing on MSEs productivity is very import to see the growth of the MSEs with respect to resources used.

Table 7. Multiple regression result (Business growth vs Role of financial institutions)

Variables	Un-standardized coefficients		T	Sig.	95% Confidence Interval for β		
	Beta	**Std. error**			**Lower bound**	**Upper bound**	**VIF**
(Constant)	39.798	15.2	2.618	0.01	9.669	69.927	1.301
Age	4.898	2.333	2.099	0.038	1.517	10.279	1.346
No. family	0.757	0.77	0.983	0.328	-0.769	2.283	1.31
Educational status	4.409	1.722	2.561	0.012	1.001	7.818	1.298
Position	-0.451	0.61	0.253	0.822	-1.238	7.14	1.925
Service	5.734	2.705	2.12	0.036	0.372	11.097	1.23
Main activities	2.955	1.298	2.277	0.025	0.386	5.524	1.181
Ownership type	-1.229	1.651	-0.74	0.458	-4.501	2.043	2.186
Work experience	4.126	1.209	3.412	0.001	1.729	6.523	1.722
Competition	1.419	3.284	0.432	0.667	-5.091	7.928	1.435
Bank							
Access to bank	-2.148	0.599	-2.389	0.006	-13.565	-9.269	2.308
Reason for no bank access	2.382	1.356	1.756	0.002	1.088	3.324	1.892
Ask Credit	1.253	0.254	4.933	0.002	1.251	3.756	1.387
Tim Allowed	0.172	0.398	0.432	0.667	-0.617	0.961	2.409
Criteria	-2.096	1.322	-1.51	0.016	-3.734	-0.542	1.531
Level of criteria	1.651	0.641	2.576	0.013	1.621	2.922	1.908
Sufficient loan	-2.284	0.933	-2.45	0.004	-3.745	-0.176	1.825
Loan Purpose	0.336	0.23	1.46	0.147	-0.12	0.793	3.203
Loan Repayment	-0.101	0.303	-0.33	0.74	-0.702	0.5	3.285
Alternative Reason	-0.77	0.35	-2.2	0.03	-1.463	-0.076	2.186
Other Support	-0.786	0.941	-0.84	0.405	-2.653	1.08	4.722
Other Spec D	-9.203	3.044	-3.02	0.003	-15.237	-3.17	2.035
Micro Finance							
Access to M	2.248	0.953	2.359	0.003	0.64	3.137	4.801
Reason for no bank access	-0.168	0.345	-0.49	0.627	-0.852	0.515	3.356
Ask Credit	1.987	1.305	1.522	0.043	0.421	1.754	1.311
Time allowed mf	-1.327	0.551	-2.41	0.019	-2.419	-0.235	1.406
Criteria Mf	-2.056	1.052	-1.95	0.018	-5.133	-1.021	3.318
Level criteria Mf	-5.118	3.14	-1.63	0.106	-11.342	1.107	1.298
Sufficient Loan mf	0.038	1.26	0.03	0.976	-2.46	2.535	3.925
Loan Purpose mf	0.003	1.227	0.002	0.998	-2.428	2.434	5.231
Loan Repayment	1.337	0.911	1.468	0.145	-0.469	3.144	2.189
Alternative Reason	-0.542	0.231	-2.35	0.221	-0.999	-0.085	2.186
Other Support Mf	3.552	1.524	2.331	0.022	0.531	6.572	4.128
Other Special Mf	-0.628	1.466	-0.43	0.669	-3.533	2.277	4.435

a. Dependent variable: Business growth

Table 8. Model summary

Model	R square	Adjusted R square	Std. error of the estimate	Durbin-Watson
1	0.687	0.603	1.441	1.896

b. Dependent variable: Productivity

Table 9. ANOVA table for productivity of MSEs

	Sum of squares	Df	Mean Square	F	Sig.
Regression	23.791	11	2.163	8.9031	0.0201
Residual	29.212	120	0.243		
Total	273.003	131			

Dependent variable: Productivity

H_0- The demographic and socio economic factors are not significant in productivity of MSEs versus H_1-not H_0 (at least one of the factors is significant in describing productivity of MSEs).

The coefficient which is significant in explaining the productivity of MSEs are: Age (β=2.078; P<0.05)- as age of respondents increases, productivity increases by 2.078 holding other factors constant, Educational Status (β=3.2, p=0.001<5%)-as Educational level of respondents increases, productivity increases by 3.2 holding other factors constant, Experience (β=3.01, p=0.036<5%)-as experience of respondents increases by one year, productivity increases by 3.01 holding other factors constant, number of employees working in the organization (β=2.074, p=0.019<5%)-as number employees working increases with necessary skill, productivity increases by 2.074 holding all other factors constant and competitions between neighboring MSEs (β=2.057, p=0.024<5%)-as competition between neighboring MSEs increases, productivity increases by 2.057 holding all other factors constant. Since five factors from demographic and socio economic factors are significant in describing productivity of MSEs in Yirgalem town thus, we reject the null hypothesis at 5% level of significance and conclude that those factors has significant effect on productivity of MSE" in Yirgalem town and the remaining factors are not significant at the hosen level.

H_0- The role of bank and microfinance does not have significant effect in productivity of MSEs versus H_1-not H_0 (at least one of the factors has significant effect)

From role of bank to productivity, variables like: access of finance from bank (β=2.942, p= 0.021<5%)-as access to finance increases, productivity of MSEs increases by 2.942 holding all other factors constant, level of criteria when receiving loan (β=1.756, p=0.042<5%) –as response to level criteria set by bank increases from strongly dis-agree to strongly agrees, productivity of MSEs increases by 1.756 holding all other factors constant, the sufficiency of loan (β=2.295, p=0.003<5%)-as amount or sufficiency of loan from bank increases by one level, productivity of MSEs increases by 2.295 holding all other factors constant and other special development support (β=1.030, p=0.047<5%)- as one level increases support for development to MSEs by bank, productivity of MSEs increases by 1.03 holding all other factors constant.

On other hand, factors like: Access of finance from microfinance (β=3.054, p=0.034<5%)-as access to finance by microfinance increases, productivity of MSEs increases by 3.054 holding all other factors constant, level of criteria when taking loan (β=-2.062, p=0.003<5%)-as level of criteria set by microfinance decreases, productivity of MSEs increases by -2.062 holding all other factors constant, sufficiency of loan (β=2.146, p=0.004<5%)-as amount of loan increased by microfinance, productivity of MSEs increases by 2.146 holding all other factors constant and purpose of loan (β=1.365, p=0.017<5%)-as purpose of well fits with development agenda of microfinance, productivity of MSEs increases by 1.365 holding all other factors constant. Since eight factors from role of bank and microfinance are significant in describing productivity of MSEs in Yirgalem town thus, we reject the null hypothesis and conclude that those factors has significant contribution on productivity of MSE" in Yirgalem town and the remaining factors are not significant those why they need further study to conclude on the result.

The coefficient for business experience which is a peroxide by number of years in business is positive and significant at 5% for the model. This implies that the longer the years of experience of an MSEs, the more productive he/she holding other factors constant which is similar with result obtained by [24]. The magnitude of beta coefficient of MSE training for the model is high, positive and statistically significant at 5% level. This implies that MSE training significantly enhances small business productivity as it was indicated in [24].

The coefficient for business experience which is a peroxide by number of years in business is positive and significant at 5% indicating that the longer the years of experience of a MSE, the more productive he/she which is similar with a result obtained by [25]. Also, individuals who have financial access from either bank or microfinance are more productive rather than those who do not have such financial access [2]. This implies that, financial access have significant contribution on productivity i.e. as one have more financial access, he/she has a chance to choose suitable business to invest and maximize profit.

When considering level of criteria expected to fulfill when borrowing loan as well as sufficiency of loan are significant predictor of productivity i.e.

Table 10. Multiple leaner regression Results (Productivity vs Role of financial Institutions)

Explanatory variables	Unstandardized coefficients		Standardized coefficients	T	Sig.	
	Beta	Std. error	Beta		(p-value)	VIF
(Constant)	2.917	1.01		2.887	0.005	1.801
Age	2.078	0.986	1.041	2.108	0.004	4.301
Number of family	-0.11	0.067	-0.17	-1.649	0.102	1.598
Educational Status	3.193	1.137	1.541	2.808	0.001	3.921
Responsibility in firm	-0.086	0.159	-0.053	-0.538	0.591	3.213
Service year	-0.206	0.199	-0.121	-1.031	0.305	1.181
Ownership Type	0.093	0.121	0.071	0.771	0.442	2.186
Experience	3.014	1.092	2.019	2.76	0.036	2.723
No. Employees	2.074	0.547	1.179	3.791	0.019	4.405
Competitions	2.057	0.456	1.023	4.507	0.024	4.012
Bank						
Access for finances	2.9	0.936	0.167	1.006	0.021	2.192
Time Allowed	0.3	1.316	0.045	0.254	0.801	1.797
Level of criteria	1.8	0.833	0.461	2.108	0.042	2.909
Sufficient loan	2.3	1.17	0.244	1.966	0.003	1.278
Loan Purpose	0	0.446	-0.056	-0.364	0.718	2.907
Other Support	1.3	0.502	-0.344	-2.053	0.047	1.867
Other Special D. support	0.1	0.741	0.029	0.183	0.856	4.219
Microfinance						
ACFMF	3.1	0.644	2.008	4.74	0.034	2.186
Time Allowed	0.5	0.321	0.145	1.46	0.147	4.722
Level of criteria	1.1	0.247	1.027	4.3	0.003	2.035
Sufficient loan	-1	0.325	-1.044	-3.522	0.004	4.128
Loan Purpose	1.4	0.15	0.238	2.433	0.017	5.001
Other Support	0	0.127	-0.049	-0.473	0.637	4.351
Other Special D. support	0.1	0.123	0.043	0.425	0.671	1.991
a. Dependent variable: Productivity						

if the expected criteria is easily attainable and the amount of loan taken is sufficient then, the individual taking such money for business can be more productive. In such way productivity can be achieved since, the sufficient amount of money taken as well as easy criteria to access finance make an individual to run the business that he wanted to run on time without any difficult. This is in line with the conclusion reached by [16] that the significant determinants of technical efficiencies of bakers, furniture makers and burnt brick makers were age of operators, business experience, and level of education, training experience, credit access, working capital and initial capital outlay. And that well-structured MSE training programmes complemented with easy credit access can facilitate the desired improvement in the efficiencies of small scale business people. In similar way, the remaining variables or factors can be explained. When considering the variance inflation factors (VIF) of variables explaining productivity of MSEs, VIF of all explanatory variables are less than 10 indicating that there is no perfect multicollinearity between the explanatory variables.

5. CONCLUSION AND RECOMMENDATION

5.1 Conclusion

Based on the objective and results of the finding, the following conclusions can be made:

The paper began with an elaboration of financial institutions role in general and to MSEs in particular. It was noted that access to financial institutions products and services is a crucial element for the development of MSEs. To attain the desired goal of MSEs, access to finance is very import. Access to finance supplies a range of instrument and information to improve the survival rates, productivity and competeveness of MSEs.

However, lack of access to finance is one among the other obstacles of MSEs to expand, diversify, promote and growth. Difficulties are prominent in accessing credit, either from financial or non-financial sources. Low credit ratings reduce the opportunities to invest in technology which would

improve enterprise efficiency. From the study, it is identified that many MSEs have obtained their capital from microfinance, Iqub, Idir, themselves and families and relatives than that of large Banks. This implies that access to finance from large banks is very difficult for MSEs due to the presence of collaterals and guarantee.

Moreover, inadequate loan size, poor book keeping systems, information gap about finance, fear of business failure, short loan durations, failure to disburse loans timely, inconvenient loan, and the tendency of group collateral requirements have been hampering MSEs from access to finance. The government has made significant progress in improving access to finance for small and growing businesses over recent years. Hence, it is important for this momentum not to be lost. There are still market failures and anomalies in the system that needs to be addressed. By addressing market failures, government backed schemes have an important role to play in enabling businesses to access finance. Access to finance underpins business start-ups and growth, and creates the employment and wealth needed by the country.

In Yirgalem Town, it is observed that there is a gap between the demand of finance and the supply of finance. Besides, there are many MSEs owners who are not users of credit or loan. Concluding arguments suggest that there is a need for concerted programmes on financial systems of Ethiopia to address the various obstacles to economic, social and environmental sustainability faced by MSEs.

5.2 Recommendations

After a detail investigation has made on the study of access to finance for MSEs since establishment, the researcher would like to forward the following constructive recommendations to MSEs owners, Financial Institutions and to the Government bodies.

- It is recommendable for creditors to adopt flexible repayment periods instead of penalize borrowers.
- The money currently released to MSEs is not enough. Hence, it is better to raise the amount of money or loan size given for MSEs.
- Universities, TVET and other institutions are better to work jointly with other supporters of the sector so as to improve the modern management capacity & technological level of the MSEs.

- The National Bank of Ethiopia should organize and integrate departments that build and support the capacity of Microfinance Institutions thereby to increase the capacity of lending for MSEs.
- Business Training Centers for capacity building should be established in Regions, zones, Wereda and kebele levels.
- Creditors should better to reduce the bureaucratic procedures

Finally, with respect to the relationship between MSEs growth and loans from financial institutions, banks and MFIs and to productivity, the result of regression analysis showed that there was positive statistically significant relationship between most predictors. That is, MSEs growth had increased when the level of financial resources from financial institutions increased and it will decrease when level of financial resources decrease.

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COMPETING INTERESTS

Authors have declared that no competing interests exist.

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APPENDIX

Table 3. Role of banks on MSEs growth Vs. main activities of the MSEs

Variable	Categories	Count	Percent	Variable	Categories	Count	Percent
Access Bank	No	90	69.77	Ask Credit	No	28	33.73
	Yes	39	30.23		Yes	55	66.27
Reason NA finance	Inadequate collateral	43	45.26	Level Criteria	Strong agree	7	6.67
	No need for credit	7	7.37		Agree	24	22.86
	Inability to repay	2	2.11		Disagree	42	40
	High borrowing cost	2	2.11		Strong Dis agree	32	30.47
	Process too difficult	41	43.16	Sufficient amount loan	Strong agree	7	6.73
Tim allowed	Strong agree	7	6.82		Agree	24	23.07
	Agree	24	23.52		Disagree	42	40.38
	Disagree	41	40.19		Strong Dis agree	31	29.8
	Strong Dis agree	30	29.41	Loan Purpose	Purchase of inputs	53	59.55
Types criteria	Collateral	101	81.45		Purchase of assets	27	30.34
	Third party guarantee	13	10.48		Payment of previous loans	4	4.49
	Others	10	8.06		Others	5	5.62
Repayment problem	No	30	49.18	Other support	Set & regular Business	73	55.73
	Yes	31	50.82		Saving services	43	32.82
Alternatives Repayment problem	Restructuring	6	12.77		Third parties asset	15	11.45
	Post ponding	35	74.47	Other Special support	Reschedule loans	27	20.45
	Removal of interest	2	4.26		Provide counseling	97	73.48
	Others	4	8.51		Low interest rate	7	6.06

Table 4. Role of micro-finance on MSE's growth Vs. main activities of the MSE's variables

Variable	Categories	Count	Percent	Variable	Categories	Count	Percent
Access of Finance	No	16	12.21	Sufficiency Loan MF	Strong agree	15	11.81
	Yes	115	87.8		Agree	45	35.43
Reason Not Access finance	Inadequate collateral	32	24.24		Disagree	38	29.92
	No need for credit	41	31.06		Strong Dis agree	29	22.83
	Fear of inability to repay	12	9.09	Loan Purpose	Purchase of inputs	59	47.2
	Process too difficult	35	26.52		Purchase assets	46	36.8
	High borrowing cost	12	9.09		Others	20	16
Ask Credit from MF	No	12	9.23	Repayment problem	No	42	33.6
	Yes	118	90.77		Yes	83	66.4
Time allowed	Strong agree	16	12.9	Alternative if Repayment problem	Restructuring	17	17
	Agree	17	13.71		post pone payment	80	80
	Disagree	40	32.26		Others	3	3
	Strong Dis agree	51	41.13	Other Support Mf	Set business plans	78	59.09
Criteria MF	Collateral	20	15.15		Saving services	32	24.24
	Business plan	3	2.27		Restructuring	7	5.3
	working places	5	3.79		Insurance services	4	3.03
	Others	104	78.79		Others	11	8.33
Level of criteria Easy to meet Mf	Strong agree	20	15.15	Other Special Mf	Reschedule loans	55	41.67
	Agree	39	29.55		Training	38	28.79
	Disagree	45	34.09		Provide counseling	22	16.67
	Strong Dis agree	28	21.21		Low interest rate	7	5.3
					Others	10	7.58

Peer-review history:
The peer review history for this paper can be accessed here:
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