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OF
LUSAKA**

SCHOOL OF POSTGRADUATE STUDIES

**ASSESSING THE DETERMINANTS OF FINANCIAL INCLUSION AMONG SELECTED MICRO, SMALL
AND MEDIUM ENTERPRISES IN AGRICULTURE AND TRADE IN CHIPATA DISTRICT**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF POST GRADUATE STUDIES, UNIVERSITY OF LUSAKA
IN PARTIAL FULFILMENT OF THE AWARD OF THE MASTER OF BUSINESS ADMINISTRATION GENERAL**

BY

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DECLARATION

I, Gillian Thiza Mwanza, hereby declare that this investigation, entitled "Assessing the determinants of Financial Inclusion among selected Micro, Small and Medium Enterprises in Agriculture and Trade in Chipata District," is an authentic piece of work written by myself and has not been presented for any other scholarly credential. All references used in this thesis have been appropriately credited.

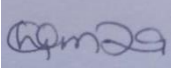
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DEDICATION

I dedicate this research to my husband Philemon Zulu, my children Siyabonga and Lindiwe, and my parents the late Charles Mwanza and Mrs. Margaret Chilambwe Mwanza, their constant encouragement and support have been my motivation throughout this academic journey.

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ACRONYMS

CEEC	Citizens Economic Empowerment Commission
FINCA	Foundation for International Community Assistance
FSD	Federal Sustainable Development
FSPs	Formal Financial Service Providers
GDP	Gross Domestic Product
MSMEs	Micro, Small and Medium Enterprises
PACRA	Patents and Companies Registration Agency
SPSS	Statistical Package for Social Sciences
USAID	United States Agency for International Development
ZAMTIE	Zambia Trade and Investment Enhancement Project

ABSTRACT

Financial inclusion for Micro, Small and Medium Enterprises (MSMEs) in trade and agriculture is receiving global and regional attention, however, knowledge regarding the specific traits that influence financial inclusion is lacking, particularly in Zambia. This research sought to examine the relationship between financial literacy and awareness, access to financial services, quality of financial services, and financial service affordability, and financial inclusion among MSMEs in agriculture and trade in Chipata District.

The study used a quantitative research approach with a correlational study design and a cross-sectional time horizon. The study targeted MSMEs in trade and agriculture in Chipata District and employed a homogeneous purposive sampling technique. Both primary and secondary data collection methods were used. The data was collected using a closed-ended questionnaire, and the findings were examined using regression analysis and correlation analysis.

Regression analysis results show no statistically significant relationship between financial inclusion and affordability ($\beta = 0.043$, $p = 0.561$), quality of financial services ($\beta = 0.072$, $p = 0.214$), access to financial services ($\beta = 0.054$, $p = 0.482$), and financial literacy and awareness ($\beta = 0.101$, $p = 0.302$). The results of the correlation study, however, showed a strong positive correlation between financial inclusion and knowledge ($r = 0.234$, $p < 0.05$), as well as between the degree of financial inclusion ($r = 0.301$, $p < 0.01$), the quality of financial services ($r = 0.213$, $p < 0.05$), and the ability to obtain financial services.

The study's conclusions led to the formulation of the following policy recommendations: financial service providers should prioritise raising service quality in order to better meet the needs of MSMEs; government should create and implement integrated financial education programmes targeted at MSMEs to improve awareness and literacy; policies should improve MSMEs' access to financial services; and investigate ways to make financial services more affordable for MSMEs.

Key Words: Financial Inclusion, financial literacy and awareness, access to financial services, quality of financial services, and financial service affordability

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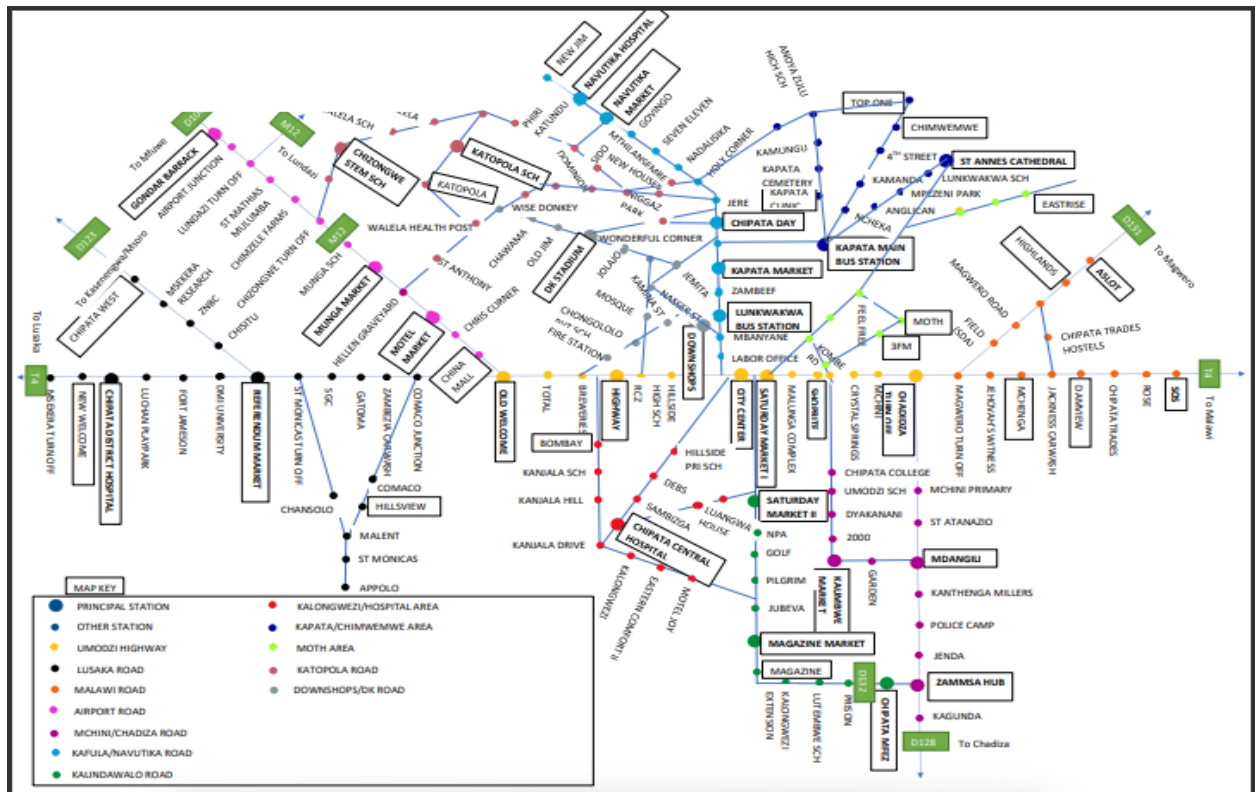
CHAPTER ONE

INTRODUCTION

1.0 Introduction

Financial inclusion is crucial for reducing poverty and fostering economic progress. Financial inclusion is ensured by providing competitively priced financial services, which is crucial for reducing poverty and advancing economic growth. Even if there aren't many financial institutions in Africa now, expanding access to credit might empower individuals and families, encourage entrepreneurship, and boost savings and investment opportunities. However, Micro, Small and Medium Enterprises (MSMEs) in Zambia have challenges in getting integrated due to excessive costs and financing rates. Despite these obstacles, financial accessibility is crucial for both economic growth and the eradication of poverty. This study aims at assessing the factors influencing financial inclusion among selected Micro, Small and Medium Enterprises (MSMEs) engaged in commerce and agriculture in Chipata District. This chapter includes an introduction, background information, problem statement, research objectives, research hypothesis, study scope, delimitations, definitions of important terms and topics, and study organisation.

1.1 Background of The Study



Source: I love Chipata City (2022)

The factors that determine financial inclusion have changed over time, and one of the most notable changes is the widespread adoption of technology. In recent years, digital financial services have become more accessible and affordable, reducing geographical barriers and providing MSMEs with a convenient way to manage their finances and access credit. MSMEs in Chipata District have started to leverage mobile banking, online payment systems, and digital financial tools, enhancing their access to financial services (World Bank, 2021; fsd Zambia, 2019). However, the vast majority MSMEs in Chipata city do not use digital financial services for their businesses, and there is moderate usage of basic business technology.

The government of Zambia, in line with national financial inclusion strategies, introduced a number of laws and initiatives designed to increase financial services accessibility for MSMEs in the past five years. These initiatives have sought to address regulatory challenges and promote financial literacy, making it easier for MSMEs in Chipata District to access financial products and services.

Furthermore, various programs and training sessions have been organized in the last five years in Chipata District to enhance the financial acumen of MSMEs in agriculture and trade. These initiatives aim to improve financial literacy and education for MSMEs, recognizing the significance of financial knowledge in making informed financial decisions. FINCA Zambia's recent financial literacy training for FINCA savings groups in Chipata District was a pivotal initiative aimed at empowering these MSMEs with essential financial knowledge and skills. The program focused on enabling MSMEs to effectively manage their personal finances, emphasizing budgeting, savings, and informed decision-making. The training helped these MSMEs build their small enterprises indirectly by giving them a strong foundation in financial literacy. It also emphasised the important part that focused financial education can play in enhancing people's and communities' social and economic well-being (FINCA, 2023).

Agricultural financing programmes are essential for satisfying the special needs of MSMEs involved in agriculture and commerce. These initiatives have been crucial in the past five years in facilitating people's access to loans and other financial resources for a variety of agricultural pursuits, chief among them crop farming. The United States Agency for International Development (USAID)-funded Zambia Trade and Investment Enhancement Project (ZAMTIE) is one noteworthy initiative that offers substantial help. Apart from recognising the importance of financial accessibility for agricultural growth, ZAMTIE provides valuable information about potential funding and credit options for agriculture, thereby contributing to the expansion of the agricultural industry (USAID, 2015).

Accessing appropriate financial services is a barrier for MSMEs in Zambia's diverse industries. Even though small businesses play a big part in creating jobs and revenue, they have trouble getting credit from formal financial institutions, particularly in rural regions (MoFND, 2017). MSMEs account for 97% of all businesses, 70% of Zambia's GDP, and 88% of the labour force, making up a sizable percentage of the country's business environment (Devere, 2022; FSD Zambia, 2017; Zambia Invest, 2017). According to the MoFND (2022), decision-makers are aware of how important MSMEs are to fostering economic growth.

Due to developments in financial risk management and the imposition of more stringent rules in both developed and developing nations, the global finance landscape

has undergone major transformation in the previous several decades (Lentner et al., 2020). Despite these advancements, less developed countries continue to face significant barriers to equitable access to financial services. Governments continue to strive towards increasing the variability and accessibility of monetary services, particularly for underprivileged groups. Financial inclusion is important in fostering fair economic growth and poverty reduction is being increasingly acknowledged in the conversation on financial inclusion. The significance of financial inclusion for MSMEs in commerce and agriculture was highlighted in this study.

MSMEs frequently face exclusion from traditional banking institutions as a result of onerous collateral requirements. Even though financial accessibility has garnered a lot of attention, 1.7 billion people globally still do not have access to formal financial accounts (Demirguc-Kunt et al. 2018). In an attempt to bring low-income and unbanked individuals into the financial services sector, governments have shifted their focus from solely financial development to a more inclusive approach after realising this discrepancy. (Johnson and Arnold, 2020). Financial accessibility is necessary to allow low-income individuals to save, borrow, and invest among small and medium-sized businesses, according to Demirguc-Kunt et al. (2014). This encourages growth and economic opportunities.

Ibor et al. (2017) state that MSMEs' access to funding is one of the key elements determining how quickly they expand. It is critical to improve financial services accessibility because fewer than one in four Africans have an account with a formal financial institution (Triki and Faye 2013).

Lack of funds is cited by a sizeable section of the unbanked population worldwide as one of the primary obstacles to financial exclusion among MSMEs (Demirguc-Kunt et al. 2018). MSMEs have made significant contributions to the financial system, innovation, competitiveness, and human capital development, but they continue to face obstacles to financial inclusion (Nega and Hussein 2016).

Zambia faces challenges with financial inclusion for MSMEs, much like many other African nations. The percentage of MSMEs in Zambia is estimated at 97% and these businesses contribute significantly to both the GDP and employment of the nation. But getting formal financial services is difficult for MSMEs, especially those in rural areas

(Devere, 2022; FSD Zambia, 2017; Zambia Invest, 2017). Meeting the financial inclusion requirements of MSMEs is critical because policymakers recognise the significance of SMEs in fostering economic growth (MoFND, 2022).

Over 70% of MSMEs are involved in trade and agriculture, which makes them crucial for fostering economic growth, especially in remote areas (Ministry of Commerce, commerce, and Industry, 2020). But they face systemic obstacles that keep them from using formal financial services, such as onerous collateral requirements, poor financial documentation, no credit history, and a lack of business registration paperwork. Therefore, MSMEs in the business and agricultural sectors usually resort to unauthorised financial channels in order to meet their financial obligations.

1.2 Statement of Problem

The demand for inclusive financial services designed with MSMEs' requirements in mind is pronounced, yet most formal financial service providers offer standardized products that are ill-suited for smaller enterprises (FSD Zambia, 2015). This results in limited access for MSMEs due to high costs and stringent requirements, perpetuating their reliance on alternative sources such as informal lending and microfinance institutions (FSD Zambia, 2021; FSD Zambia, 2015). Despite higher rates of formal financial account ownership among urban populations, rural areas in Zambia, where over 70% of SMEs operate, face significant gaps in financial inclusion (Bank of Zambia, 2020).

MSMEs particularly in the agriculture and commerce of Chipata District, confront challenges related to access to finance, financial illiteracy, high interest rates and lack of collateral to enable them access loans thereby hindering restocking of the agro-shops and expansion efforts (BoZ, 2021). To enhance economic activity and growth in these areas, formal financial inclusion for MSMEs is imperative. The existing research landscape lacks comprehensive analysis of profitable financial services beyond credit for MSMEs (Mphuka et al., 2014). Moreover, the expertise of formal financial service providers often falls short in addressing the unique needs of MSMEs (Mphuka et al., 2014).

Financial inclusion is receiving a lot of attention on a global and regional scale, but little is known about the individual characteristics that affect financial accessibility for

MSMEs in trade and agriculture, especially in Zambia. Studies that have already been done tend to concentrate on broad financial inclusion trends and issues rather than providing a thorough examination of the particular elements that either promote or impede MSMEs' integration into formal financial institutions. Additionally, although research has acknowledged MSMEs' dependence on alternative funding sources, it has not thoroughly examined the specific variables influencing their choice for unofficial financial channels over formal ones.

This study examines the key variables that affect financial inclusion among a sample of MSMEs involved in commerce and agriculture in Chipata District in an effort to bridge this gap. By uncovering these determinants, the study aimed at contributing valuable insights that may inform policymakers and stakeholders in developing effective strategies to promote formal financial inclusion for MSMEs thus fostering economic growth and reducing poverty.

1.3 Research Objectives

The following objectives served as a guide for the study:-

1.3.1 General Objective

To assess the determinants of financial inclusion among selected Micro, Small and Medium Enterprises (MSMEs) in agriculture and trade in Chipata District.

1.3.2 Specific Objectives

The specific objectives were as follows:

- i. To examine the relationship between Financial Literacy and Awareness and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District.
- ii. To appraise the relationship between Access to Financial Services and Financial Inclusion among MSMEs in Agriculture and Trade Chipata District.
- iii. To investigate the relationship between Quality of Financial Services and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District.

- iv. To evaluate the relationship between Financial Service Affordability and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District.

1.4 Research Hypothesis

The researcher sought answers to the following research hypothesis:

- i. **H₀**: There is no significant relationship between Financial Literacy and Awareness and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District.
H₁: There is a significant relationship between Financial Literacy and Awareness and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District
- ii. **H₀**: There is no significant relationship between Access to Financial Services and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District.
H₁: There is a significant relationship between Access to Financial Services and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District.
- iii. **H₀**: There is no significant relationship between the Quality of Financial Services and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District
H₁: There is a significant relationship between the Quality of Financial Services and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District.
- iv. **H₀**: There is no significant relationship between Financial Service Affordability and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District
H₁: There is a significant relationship between Financial Service Affordability and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District

1.5 Significance of the Study

In addition to stakeholders, legislators, the general public, and financial service providers looking to enhance financial inclusion for MSMEs in agriculture and trade in

Chipata District, the study's conclusions have important policy ramifications for modern business and national development. Analysing the variables that affect financial inclusion in this sector of the economy may yield informative data that encourages constructive change and well-informed decision-making. In particular, policymakers should use the study's findings to create focused policies and strategies that promote economic expansion and lower poverty in Chipata District. It may be suggested that stakeholders work together and have discussions in order to improve financial services and support for MSMEs, considering the particular difficulties that these enterprises confront. The study's conclusions may also benefit the greater community and foster regional economic expansion by assisting MSMEs in commerce and agriculture to bridge the financial inclusion gaps. By better understanding the demands and obstacles encountered by MSMEs in various industries, financial service providers may customise their offers and create cutting-edge financial products and services that increase MSMEs' affordability and accessibility. This study contributes to the body of knowledge already available on financial inclusion, especially for MSMEs in commerce and agricultural. It may also be used as a guide for further research in similar fields. It encourages a greater comprehension of the intricate problems associated with financial inclusion.

1.6 Scope of the Study

The purpose of this research is to assess the variables affecting financial inclusion among selected Micro, Small and Medium-Sized Enterprises (MSMEs) in the commerce and agricultural in Chipata District. It focuses on how MSMEs in Chipata District's trade and agriculture relate to financial inclusion, financial literacy and awareness, access to financial services, financial service quality, and financial service affordability. Finding the variables that affect the level of financial inclusion among MSMEs in this particular industry and place is the main goal of the study. Since the majority of people in Chipata District are from rural areas and venture in agriculture and trade, it is critical to determine what factors motivate MSMEs in this important economic sector to be financially inclusive.

1.7 Delimitation of the Study

The research is limited to Chipata District and does not investigate MSMEs engaged in agriculture and trade in other areas of Eastern Province, Zambia. To guarantee that

the conditions for analysis are the same, the study concentrates on MSMEs in agriculture and commerce in Chipata District.

1.8 Definition of Key Terms

The following concepts are defined as operational definitions in this study:

Financial Inclusion: To meet the goals of this study, both individuals and enterprises need to have access to a wide range of reasonably priced and easily accessible financial services (Bank of Zambia, 2020).

Small and Medium Enterprises: According to this study, MSMEs are businesses that fit within a particular size range, which is frequently established by factors like the total assets, yearly revenue, or staff count (Devere, 2022).

Financial Services Quality: The Bank of Zambia (2020) states that the standard and overall efficacy of financial services and products provided by reputable financial organisations.

Affordability of Financial Services: According to Bank of Zambia (2020), the affordability of financial services is the extent to which financial goods and services are cost-effective and reasonably priced for both consumers and enterprises.

Financial Literacy: Bank of Zambia (2020) defines financial literacy as the understanding and knowledge of financial ideas, products, and services. This is in contrast to financial awareness.

Availability of Financial Services: The capacity of people and institutions to get and make use of official financial services and goods (Bank of Zambia, 2020).

1.9 Organization of the Study

This study is divided into six parts to give a thorough and cohesive examination of the determinants impacting financial inclusion among Micro, Small and Medium Enterprises (MSMEs) in Chipata District's agricultural and commerce. Each chapter ensures a cogent flow of information and analysis while advancing the study's objectives.

Chapter 1: Introduction and Background

This chapter explains the study's relevance, specifies its scope and limitations, discusses research objectives and hypothesis, highlights the problem, introduces the research subject, and describes the study's organization.

Chapter Two: Review of Literature.

The second chapter reviews relevant literature in detail, concentrating on financial inclusion, its factors, and the particular difficulties that MSMEs confront. The theoretical underpinnings for the research, such as the conceptual framework that demonstrates the correlations between variables, are also covered in this chapter. It also conducts a critical assessment of earlier empirical research, pointing out gaps in the body of knowledge that pave the way for more investigation in later chapters.

Chapter Three: Research Methodology

The study's strategy, data gathering strategies, analytic methodologies, and research design are described in this chapter. It justifies the techniques selected and illustrates how the study answers the research hypotheses.

Chapter Four: Data Analysis and Findings

To meet the goals of the research, the gathered data is presented and examined in this chapter. The relationships between financial inclusion among selected MSMEs in Chipata District in agriculture and trade sector, financial literacy and awareness, access to financial services, quality of financial services, and affordability of financial services are investigated using statistical techniques and analytical tools.

Chapter Five: Discussion of Findings

In-depth discussion of the study's findings is provided in Chapter Five, with particular attention to how they relate to MSMEs in agriculture and trade in Chipata District in terms of financial inclusion. The chapter presents a thorough knowledge of the factors influencing financial inclusion by integrating the findings with previously published research.

Chapter Six: Conclusion and Recommendations

A summary of the key results, analysis-based conclusions, and suggestions for decision-makers, interested parties, and financial service providers are included in the last chapter. Along with outlining possible directions for further research, it also highlights the study's shortcomings.

The appendices and references are last.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The relevant research on the variables influencing financial inclusion that have been done worldwide is empirically reviewed in this chapter. Furthermore, included are the theoretical underpinnings of the research that will serve as a roadmap for the investigation and the creation of a conceptual framework.

2.1 Empirical Reviews

The impact of financial literacy and awareness on MSMEs' financial inclusion has been the subject of several research.

2.1.1 Global Perspective

While Camara, Peña, and Tuesta's study in Peru (2014) provides valuable insights into the challenges that traditionally marginalized groups face in accessing formal financial systems, a notable gap is found in research focusing on similar financial inclusion issues among MSMEs in the context of Chipata District, Zambia, specifically in the agriculture and trade sectors. The Peruvian study primarily emphasized the barriers encountered by individuals, including women, rural residents, and young people. However, the unique dynamics of financial inclusion for MSMEs engaged in agriculture and trade in Chipata District remain unexplored. It is important to comprehend how these inequities and restrictions impact MSMEs' financial inclusion in this particular environment, since MSMEs may encounter similar problems to those experienced by marginalised groups. Therefore, a research evaluating the variables influencing financial inclusion among MSMEs in Chipata is desperately needed, with an emphasis on the difficulties faced by historically marginalised groups in this industry.

Hussain, Salia, and Karim (2018) conducted a very innovative study in the UK titled "Is knowledge that powerful?" Examining the intricate relationship between financial literacy, financing accessibility, and the growth of MSMEs in the Midlands region was the goal of the study. According to their research, financial knowledge reduces the demand for collateral when evaluating loans and acts as a linking tool to mitigate

information asymmetry. The study made clear how important it is to raise financial literacy in order to maximise capital structure and lower monitoring costs, both of which have a positive effect on MSMEs' ability to grow. It recognises that financial management knowledge is a critical resource that small businesses can utilise successfully when making choices, and it recommends for the inclusion of financial literacy in school curricula and targeted help for MSMEs to acquire financial management skills. The research limitations, such as its small sample size, draw attention to potential research gaps that may be addressed by employing larger samples and comparative analyses in different economies or regions. The practical implications emphasize the need for incorporating financial literacy into education and assisting MSMEs, while the social implications highlight the broader benefits, such as fewer business failures, more employment, and less reliance on public sector support for social benefits. All things considered, the report offers insightful information on how financial literacy helps reduce financial hurdles for MSMEs in the UK.

The essence of achieving financial accessibility was addressed in an Indian study by Kumar and Pathak (2022) titled "Financial awareness: a bridge to financial inclusion". The study carried out in the Telangana Districts of Medak and Nalgonda, aimed to find out how financial literacy and financial inclusion relate to one another. Statistical association tests were performed using primary data collected from 200 respondents, and the findings indicated a strong positive correlation between financial inclusion and financial knowledge. Regression analysis, which demonstrated a link between higher levels of financial literacy and greater financial inclusion, provided more support for this. Additionally, the study discovered a correlation between lower levels of education, gender, and income with weaker financial inclusion. The findings highlight the importance of financial literacy in advancing financial inclusion and point to certain populations who may require targeted interventions. The geographic emphasis of the study, however, necessitates assessing the findings' generalizability and provides a potential avenue for further research into these connections in diverse geographical settings inside or outside of India.

Afrin, Haider, and Islam (2017) conducted a ground-breaking study titled "Impact of financial inclusion on technical efficiency of paddy farmers in Bangladesh" that examined in-depth the connection between financial accessibility and the Technical

Efficiency (TE) of paddy farmers. In the Khulna region of southwest Bangladesh, 120 randomly selected paddy farmers provided cross-sectional data for the study. Using quantile regression models and ordinary least squares analysis, the complicated relationship between TE and many dimensions of financial inclusion was demonstrated after controlling for socio-economic characteristics. The results showed that farmers had an approximate 86% technical efficiency rate, and that farmers who received money had a greater efficiency rate than farmers who did not. Additionally, the research demonstrated a non-monotonic connection between TE and credit amount, with a high of about 20,000 Bangladeshi Taka (USD 255), indicating optimal efficiency. It was demonstrated how important credit literacy is in connection to TE, highlighting the necessity of financial education. The uniqueness of the study is seen in its comprehensive analysis of how financial inclusion affects TE, which offers insightful information for policy debates focused on improving rice farmers' resource utilisation efficiency. The study offers useful insights for policy development in the agriculture sector by highlighting the significance of expanding financial inclusion coverage as opposed to only raising lending limits.

Jain (2021) conducted a study entitled "An Empirical Study on the Impact of Financial Literacy and its Components on Indian Consumers' Intention to Use Digital Financial Services". The research concentrated on how important it is for poor countries to have a strong understanding of digital finance, especially in light of the current COVID-19 pandemic and the Fintech revolution. The project aimed to investigate the role that financial literacy plays as a catalyst in increasing the diverse population of India's adoption of digital financial services. It further tried to appraise and analyse financial literacy. The study employed a multifaceted approach to evaluate the impact of several financial literacy elements experimentally. The main objective was to give policymakers, international organisations, and other authorities useful information so they could create policies that address the needs of various demographic groups and help create people who are financially and technologically literate. The study was in line with the UN's goal of using digital financial inclusion to achieve comprehensive and integrated sustainable development. In light of the quickly changing financial landscape and technology improvements, the research provided insightful information to the conversation about improving financial knowledge and encouraging the utilization of digital financial services.

Khaki and Sangmi (2017) carried out a study titled "Does Financial Access Reduce Poverty? A Case Study of SGSY Recipients in Kashmir Valley" in India to examine the connection between reducing poverty and financial access, as well as to challenge and examine the core tenets of financial inclusion. With the claim that it lowers poverty by allowing marginalised people to engage in economic activity, the goal of the research was to draw attention to how crucial unrestricted access to capital is to the growth of an inclusive financial industry. The Multidimensional Poverty Index (MPI) was used to measure the progress made by participants and beneficiaries of the National Rural Livelihood Mission Scheme in the Kashmir Valley in relation to several aspects of poverty. The results showed that taking part in the programme raised living standards and decreased multidimensional poverty. Some restrictions were noted, nevertheless, such as the program's incorrect targeting of non-poor rather than completely impoverished areas. By assessing the effects of financial accessibility through the MPI, the study offered a fresh viewpoint and clarified the efficacy of government-sponsored programme targeting in the context of changing financial services. Although informative, the research recognised methodological flaws in its design, such as the lack of a longitudinal analysis and the use of a pre-post design with a single point of data collection, which introduced recollection limits. The study added significantly to the conversation on the connection between financial inclusion and reducing poverty by providing new opportunities for investigation into the limits found and improving our comprehension of the mechanisms at play.

In 2019, Raza et al. conducted a study titled "Determining the connection between financial inclusion and economic development in Pakistan" to assess the relationship between financial inclusion and economic growth in Pakistan. The study analysed data from 2010 to 2015 using regression, correlation analysis—more specifically, the Pearson correlation matrix—and descriptive statistical approaches. The meta-analysis research strategy was employed. The findings suggested that greater financial inclusion may help both economic growth and financial inclusion since they exhibited a positive association. The study found that a variety of variables, including the average number of bank branches and accounts, were positively correlated with the Human Development Index (HDI). The study did discover a negative correlation between the quantity of automated teller machines and the space of each unit. The study's practical consequences underscored the potential for augmenting Pakistan's

economic development through the expansion of financial access, which could be achieved through fortifying the establishment of bank accounts and branches. The authors proposed that the government prioritize financial inclusion measures and encourage participation of all economic actors in the financial system as a means of reducing poverty. The study was enlightening, but it also showed that financial inclusion needed to be the government's main focus when formulating policies. This would make it easier for future studies to comprehend how Pakistan's economic progress and financial inclusion are related.

Sen & Laha (2021) examined the association between financial accessibility and Quality Of Life (QOL) across Indian states, with a focus on West Bengal in particular, filling a study gap in the literature. Their study, which used canonical correlation analysis, found that the western and southern areas had greater QOL indicators, whereas the eastern region—which included West Bengal—saw less advantageous circumstances in terms of financial inclusion and QOL. The state capital of Kolkata fared highly in both categories. The study emphasised the value of awareness and financial literacy for policymakers and the efficacy of the demand-following strategy in promoting financial inclusion. The study identified the importance of the infant survival rate in the relationship with QOL and the role of deposit accounts in financial inclusion, while also acknowledging the need for more research. These findings suggest a direction for future research that will explore the complex dynamics between financial inclusion, awareness, and QOL, particularly in various parts of India.

The financial impact of financial inclusion on farmers in Gujarat's tribal communities was studied by Thakor & Karve (2017). Within the framework of the global focus on financial inclusion, especially in developing countries, the study sought to evaluate the efficacy of India by Pradhan Mantri Jan Dhan Yojana, 2014. The findings showed that the banking industry's efforts to promote financial inclusion in tribal regions had a favourable effect on respondents' savings practices, agricultural production, and emergency funding. To improve the overall efficacy of financial inclusion, the study did find that more efforts are needed to further penetrate banking goods and services in these locations. Thus, the study emphasises the continued necessity of taking focused actions to guarantee that financial inclusion programmes reach every aspect of rural and tribal economies.

Although Fungáčová and Weill's (2015) study in China provides some insight into the factors influencing financial inclusion—specifically, the effects of age, gender, income, and education—there is still a significant research gap regarding the factors influencing financial inclusion among Small and Medium Enterprises (SMEs) in Zambia's agriculture and trade sectors in Chipata District. The Chinese study mainly focuses on the factors that affect financial inclusion on an individual basis. However, the financial inclusion scenario may be very different for SMEs, especially in sectors like trade and agriculture that are essential to Chipata's local economy. A research that examines the particular elements impacting financial inclusion for SMEs operating in Chipata area is required to close this gap, taking into consideration the special possibilities and difficulties this setting presents.

In the meantime, a thorough investigation carried out in Argentina by Tuesta et al. (2015) illuminated the critical roles that income and education play in promoting financial inclusion. The researchers' thorough investigation revealed the vital role that income and education levels play in determining a person's chances of being financially integrated. The study's findings highlighted the notion that more financial inclusion is positively connected with both significant income and better levels of education, offering stakeholders and policymakers direction on how to prioritise initiatives that raise income and education. Although Tuesta et al. (2015) offered insightful information on the factors impacting financial inclusion, they also left open research questions, particularly with regard to Small and Medium businesses (SMEs) operating in the agricultural and commercial sectors of Chipata District. There is a dearth of knowledge on the unique possibilities and difficulties experienced by SMEs, which may cause them to differ from more general studies conducted in nations like Argentina. It is critical to recognise that factors influencing financial inclusion can vary significantly depending on the location and business. In order to close these gaps, a thorough analysis of the factors influencing financial inclusion among SMEs in the Chipata District's agricultural and commercial sectors was carried out in this study. This study looked at other factors besides wealth and education, such as accessibility to financial services.

Zins and Weill (2016) carried out an insightful analysis that included a number of aspects in an effort to gain a thorough grasp of the factors that influence financial

inclusion. Their study emphasised the vital role that infrastructure, income levels, financial sector rules, and information availability play as major drivers determining the results of financial inclusion. The interaction of these issues was acknowledged, underscoring the need for a multimodal strategy to advance financial inclusion. The importance of this study resides in its capacity to offer a comprehensive framework that allows stakeholders and policymakers to address numerous dimensions at once, fostering an environment that supports increased financial inclusion on several fronts. Although Zins and Weill's (2016) study offers a perceptive examination of the variables impacting financial inclusion, more research is required to close several specific gaps concerning Micro, Small and Medium Enterprises (MSMEs) in the commerce and agricultural sectors of the Chipata district. One significant shortcoming is the lack of information and analysis unique to a certain area. Zins and Weill's research is obviously brilliant, but it doesn't fully address the unique challenges and opportunities that SMEs in the Chipata region face, which may differ greatly from the broader context they examined. The significance of the variables included in their study in relation to one another may vary depending on the region's particular economic, social, and cultural traits.

Additionally, a macro-level viewpoint is frequently adopted by the literature now in publication, including Zins and Weill's research, and it focuses on the infrastructure and regulatory aspects that influence financial inclusion. Nevertheless, little research has been done on the finer points at the micro level, such as the unique experiences, attitudes, and behaviours of owners of Micro, Small and Medium Enterprises in relation to financial institutions, especially in peri-urban areas like Chipata. Understanding the micro-level characteristics that influence financial inclusion in this particular context—such as MSMEs' confidence and familiarity with local financial service providers—may be crucial.

Karim et al. (2021) research in Bangladesh has yielded important new information about the influence of financial services on Micro, Small and Medium Enterprises' (MSMEs') financial inclusion. Still, there are significant gaps that need to be filled in order to improve our understanding of this issue in the specific context of Chipata District, Zambia. It is crucial to recognise that factors impacting financial inclusion can differ significantly between nations and areas, mostly due to different economic,

cultural, and legal contexts. Therefore, a significant gap in the literature now in existence relates to the lack of a localised perspective, as the study carried out by Karim et al. focused mostly on the global context. Additionally, the study in Bangladesh primarily emphasized the positive effects of banking services, mobile banking, and microfinance on MSMEs' financial inclusion. However, it is essential to consider the potential challenges and barriers that MSMEs in Chipata District might face in accessing and utilizing these financial services. Factors such as infrastructure limitations, regulatory constraints, and the specific needs and preferences of MSMEs in the agriculture and trade sectors in Chipata could present unique obstacles that have not been adequately explored in the existing literature.

2.1.2 Regional Perspective

In Fort Portal City, Western Uganda, Kobugabe & Rwakihembo (2022) carried out a research named "Financial Literacy and Financial Inclusion: A positivist view of Proprietors of Small and Medium Enterprises." The study, which was grounded in a positivist paradigm and used cross-sectional and correlational methodologies, sought to determine how financial accessibility and financial literacy among MSME owners relate to one another. 165 owners of Fort Portal City-registered MSMEs made up the sample. The data was collected using a standardised, self-administered questionnaire, and the data was analysed using conventional regression and Pearson correlation. The findings revealed a high positive association between financial inclusion and financial literacy, with financial literacy explaining 28% of the variation in financial inclusion among small and medium-sized business owners. This study adds to the body of knowledge on financial inclusion by offering data that verifies the financial literacy hypothesis of financial inclusion and indicates a positive association between financial literacy and financial inclusion. The advice throws light on the practical implications for theory and policy by emphasising the need of MSME owners focusing on increasing their financial literacy in order to improve financial accessibility. The study leaves up the possibility for future research to go further into the subtler facets of financial literacy and inclusion in MSMEs because it does not identify any specific research needs.

Sajuyigbe, Odetayo, and Adeyemi (2020) used a descriptive survey technique and a purposive sample to investigate the influence of financial inclusion and literacy on the

performance of small businesses in Southwest Nigeria. According to a study including 240 participants from various small-scale enterprises, financial inclusion and financial literacy have a positive and significant correlation that influences company performance both together and independently. However, it indicated a significant lack of financial literacy among entrepreneurs, particularly in critical areas like as financial reporting and working capital management. Moreover, a significant proportion of small company owners experienced financial exclusion from essential services, underscoring the necessity of inclusive programmes and thorough financial education. According to the study, cooperative efforts—particularly those involving the Central Bank of Nigeria and other organizations—can be extremely important for improving financial inclusion and literacy, which may encourage Nigerian businesses to have more access to financial services. Even with these insightful discoveries, further study is needed to examine focused interventions and policies that close certain knowledge gaps and increase small businesses in the area's access to financing.

Bongomin et al. (2016) investigated how networks and financial literacy interacted to affect the financial inclusion of low-income households in rural Uganda to better understand the dynamics of financial inclusion. The study sought to evaluate the moderating role of networks on the relationship between financial literacy and financial inclusion, breaking from the notion that financial literacy operates inside networks and collectively determines the level of financial inclusion. Although earlier research have shown the impact of financial literacy on financial inclusion, this study is unique in that it examines the moderating function of networks. The findings revealed that networks had a beneficial and significant moderating influence on the relationship between financial inclusion and financial literacy. Networks and financial literacy were revealed to have a direct and significant influence on financial inclusion. This research contributes to the increasing body of information on financial inclusion by emphasising the significance of social networks and financial literacy in affecting the financial environment in rural Uganda. More research is needed to better understand the specific methods by which networks participate in financial literacy to increase financial inclusion, as well as to analyse possible disparities across diverse demographic and socioeconomic contexts in Uganda.

In Zimbabwe, Maziriri, Mapuranga, and Madinga (2018) carried out a ground-breaking study titled "Self-service banking and financial literacy as prognosticators of business performance among rural small and medium-sized enterprises." This study intended to fill a knowledge gap by examining how technology-based self-service banking, borrowing financial literacy, and budgeting financial literacy influence the capacity of rural MSMEs to conduct business in Zimbabwe's agriculture sector. Data was collected from 151 managers, MSME owners, and accounting department heads in rural Bindura, Zimbabwe, using a structured questionnaire, and then analysed using smart partial least squares. According to the findings, financial literacy in the areas of borrowing, budgeting, and technology-based self-service banking had a positive and significant impact on business performance. The research provides an important contribution to the literature on finance, accounting, and small business management by emphasising the importance of these factors in encouraging business success among rural SMEs in Zimbabwe. More research may be conducted to analyse the contextual nuances and probable variations across various places and businesses within Zimbabwe, shedding light on these key issues. Furthermore, broadening the research to compare MSMEs in rural and urban regions may provide a full understanding of the role of technology-based banking and financial literacy in varied circumstances.

The purpose of Oshora et al.'s (2021) study, "Determinants of Financial Inclusion in Micro, Small and Medium Enterprises: Evidence from Ethiopia," was to explore the determinants impacting financial inclusion in Ethiopian MSMEs. A multiple linear regression model with an explanatory research design and a mixed research approach incorporating primary and secondary data sources were employed in the study. Market potential, supply-side and demand-side factors, collateral requirements, and market circumstances all had a positive influence on firms' capacity to secure finance, according to the findings. Borrowing costs and institutional framework features, on the other hand, were demonstrated to have a negative influence on MSMEs' capacity to get funding. The report emphasises how crucial it is to have a strong and effective financial market system in order to offer MSMEs sustainable and reasonably priced financial services. These results have consequences for policymakers, who should concentrate on tackling the highlighted factors in order to promote inclusive and swift economic growth and, eventually, lessen poverty and hunger in Ethiopia. Additional

investigation may focus on certain policy measures or industry-specific subtleties to improve the relevance of these results in various Ethiopian regions and economic sectors.

ElDeeb Halim & Kamel (2021) sought to determine the major factors that influence financial inclusion for Micro, Small and Medium Enterprises (MSMEs) in Egypt. The study, "The pillars determining financial inclusion among MSMEs in Egypt: service awareness, access and usage metrics and macroeconomic policies". The research aimed to bridge the gap by addressing the financial inclusion of MSMEs in response to the increasing focus on financial inclusion, particularly for marginalised populations. The study concentrated on demand-side factors associated with the usage of financial services in addition to supply-side factors such as marketing awareness initiatives and access to financial services. Macroeconomic risks to MSMEs and investors were also evaluated. The approach comprised creating a new dataset by mining a survey given to bankers that oversee MSME portfolios. The dataset was examined with descriptive and inferential statistics, as well as econometric estimations with logistic regression and Principal Component Analysis (PCA). The study discovered three major elements linked with financial inclusion for Egyptian MSMEs: the usage of banking services, integrated marketing tools, and macroeconomic risk assessment. The interaction of these pillars explained a large amount of variation (86.6%) in the degree of financial inclusion for Egypt's MSMEs. The study contributes valuable information to the body of knowledge on financial inclusion by examining specific aspects relevant to MSMEs and emphasising the role of marketing tools and macroeconomic risk assessment in enhancing financial inclusion.

2.1.3 Local Perspective

Chipata District's Micro, Small and Medium Enterprises (MSMEs) have witnessed significant growth and diversification over the past five years (Mulundu & Sakthi, 2022). The entrepreneurial spirit and economic dynamism in the district has led to a surge in MSMEs across various sectors, expanding beyond traditional industries like agriculture and trade into services, tourism, mining and retail. This diversification underscores the growing recognition of small businesses' potential to contribute to the local economy.

In agriculture and trade, MSMEs have played a crucial role, adopting modern practices and technologies to enhance productivity (Chibomba, 2018). The district's proximity to neighbouring countries, particularly Malawi and Mozambique, has facilitated cross-border trade, connecting Chipata to broader regional markets and allowing MSMEs to diversify their offerings. Informal cross-border trade studies reveal its positive impact on job creation and subsistence for traders (Nshimbi, 2020).

A Memorandum of Understanding between Zambia and COMESA further strengthened cross-border commerce, exemplified by the operational Mwami-Mchinji One Stop Border Post (Lusaka Times, 2021). Despite these successes, MSMEs in agriculture and trade face challenges, notably in accessing finance and navigating evolving regulatory environments. Compliance with regulations has become critical, prompting many MSMEs to formalize their activities for enhanced accountability and transparency. A notable development is the increased adoption of digital technologies by MSMEs in Chipata District, including digital marketing, mobile payment systems, and e-commerce platforms (OECD, 2020). This technological shift highlights MSMEs' adaptability and resilience. Efforts to promote gender inclusivity and empower women entrepreneurs have gained momentum, with various programs supporting women-led MSMEs. MSMEs in trade and agriculture have faced obstacles such as the global COVID-19 pandemic, weather-related challenges, and economic uncertainty. Despite these challenges, MSMEs have proven resilient, showcasing their vital role in promoting development and economic growth in Chipata District.

The FinScope Survey (2015) in Zambia revealed a significant association between education levels and financial behavior, emphasizing the importance of addressing low education levels for financial inclusion. Financial inclusion has increased nationally since 2009, with higher rates in urban areas. However, there is a gap in understanding the specific challenges and opportunities related to financial inclusion for MSMEs in Chipata District. The survey identified the correlation between education levels and financial behavior but lacks exploration of the educational needs and financial literacy levels of MSME owners and employees in Chipata's agriculture and trade sector. Examining financial literacy is crucial, given the unique demands of MSMEs, requiring tailored financial education and support.

The poll also emphasised the difference in financial inclusion between urban and rural areas, although it did not explore the specific geographic factors behind this variation. Policymakers and financial institutions must comprehend the differences in the dynamics of financial inclusion in urban and rural regions in order to create policies that encourage financial inclusion in the rural areas that are home to a large number of MSMEs. The poll offers a historical perspective on financial inclusion in Zambia, but it falls short in describing current trends and the difficulties that MSMEs have experienced, particularly in the last five years. Examining post-2018 advancements in MSMEs' financial inclusion in Chipata District can provide a more up-to-date and pertinent knowledge of the elements influencing financial inclusion in this dynamic environment affected by technical, regulatory, and economic factors.

Makoetje (2018) focused on the reasons of financial inclusion and how it affects economic growth in a study on financial inclusion in Zambia. Financial inclusion is heavily impacted by factors such as residing in an urban region, gender, age, marital status, degree of education, and consistent income, according to the findings. The importance of both formal and informal financial services is magnified by affluence and education. The report recommends specific measures to enhance gender-based and rural inclusion, as well as technology innovations to broaden financial services. Makoetje's perceptive study is extremely useful in comprehending financial inclusion in Zambia. There is, however, a gap in the literature about Micro, Small and Medium Enterprises (MSMEs) in Agriculture and Trade in the Chipata District. One noteworthy issue is the lack of sector-specific analysis on MSMEs in Chipata District's trade and agriculture. Although Makoetje's study covers the influence of education and income on financial inclusion, it does not go into detail on the specific financial needs and challenges that MSMEs in this field face. To establish tailored policies and interventions for MSMEs in Chipata, it is critical to understand the sector-specific elements that impact financial inclusion, such as trade financing, insurance, and loan availability.

The report also emphasises how crucial technology developments are to the growth of financial services. The literature also lacks comprehensive analysis of Chipata District's digital financial environment. In today's changing financial landscape, it is critical to comprehend how MSMEs in agriculture and trade are adopting and using

digital financial services, as well as how these technologies affect their financial inclusion. Additionally, the study did not examine the various obstacles or limits, such as regionally specific cultural elements, infrastructural constraints, or legal restrictions, that MSMEs in Chipata District may encounter when attempting to use formal or informal financial services.

2.2 Theoretical Framework

A theoretical framework, as defined by Creswell and Creswell (2017), is a comprehensive and systematic set of well-established principles or concepts that are used as a foundation for research. It provides a theoretical lens through which researchers analyse and interpret data, guiding the study's design, data collection, and analysis. The following theories guided this research:

2.2.1 Financial Intermediation Theory

The investigation of variables impacting financial inclusion in MSMEs in Chipata District is relevant to Gurley and Shaw's Financial Intermediation Theory, which was initially articulated in 1960 (Eton, et al., 2021). This theory emphasises the importance of financial intermediaries, such as banks and credit unions, in allowing savers and borrowers to move money. Beck, Demirgüç-Kunt, and Maksimovic's (2005) study provides evidence in support of financial intermediaries' involvement in boosting MSMEs' financial inclusion. It illustrates that well-functioning financial intermediaries have a favourable influence on the expansion of MSMEs, which is an important component of financial inclusion. This highlights the significance of these groups in the achievement of MSME financial inclusion in the Chipata District.

Berger and Udell's research (2006) on MSME lending relationships is directly relevant to the current study. It suggests that strong relationships with financial intermediaries are associated with improved access to credit and better financial outcomes for MSMEs. This finding underscores the need to understand the dynamics of MSME-intermediary relationships to foster financial inclusion among MSMEs in the region.

The Financial Intermediation Theory supports the study's investigation of MSME financial inclusion by emphasizing the important role played by financial intermediaries in facilitating access to financial services for MSMEs in Chipata District, in line with the findings of Beck, Demirgüç-Kunt, and Maksimovic (2005) and Berger and Udell (2006).

2.2.2 Informational Asymmetry Theory

Introduction of the Informational Asymmetry Theory is highly relevant to the current investigation into the variables affecting financial inclusion among MSMEs in Chipata District. Information Asymmetry Theory which was initially undertaken by Akerlof (1970) addresses the difficulties resulting from incomplete information shared by the participants to an economic transaction.

The study by Loannidou et al. (2022) delves into the consequences of information asymmetry in credit markets, shedding light on the challenges of adverse selection that can emerge when lenders struggle to accurately assess the creditworthiness of borrowers, aligning with recent research outcomes. This holds particular significance for SMEs seeking financial services. Enhancing financial inclusion among MSMEs in Chipata District necessitates a comprehensive grasp of these issues and a dedicated effort to tackle them head-on.

Moreover, the current study could be linked to the research conducted by Cassar et al. (2015) concerning the impact of information asymmetry on lending to small businesses. It underscores the significance of information disparities between financial institutions and MSME borrowers, which can influence the terms and accessibility of loans. This recognition directs the study's attention towards informational obstacles to more effectively meet the financial inclusion requirements of MSMEs in the area.

2.2.3 Institutional Theory of Financial Inclusion

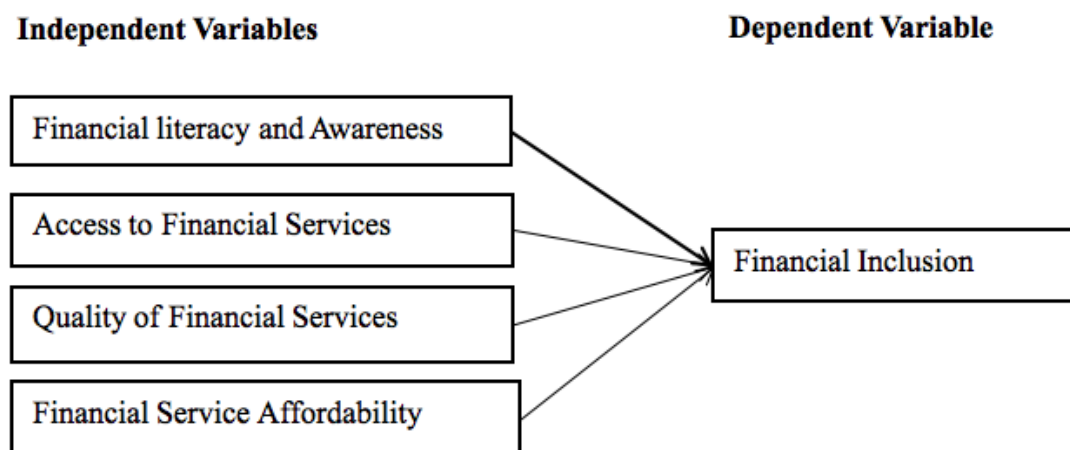
DiMaggio and Powell (1983) developed the institutional theory, which examines the ways in which formal and informal norms, practices, and regulations influence an organization's behaviour (Wang, et al., 2014). This theory looks at how institutional elements such as laws, rules, and social norms affect Micro, Small and Medium Enterprises' ability to access financial services in the context of financial inclusion. Academics that have contributed to this idea include Mersland and Strøm (2010), who have highlighted the role that institutional arrangements have in facilitating or hindering financial inclusion. This study may examine how these institutional elements influence the financial inclusion environment for MSMEs in agriculture and trade in Chipata District by using the Institutional Theory.

The institutional theory of financial inclusion emphasises the relevance of formal and informal institutions in affecting the outcomes of financial inclusion. It argues that formal laws, rules, and unofficial social norms all play a role in determining how readily consumers and businesses may receive financial services. The Institutional Theory of Financial Inclusion is applicable to this study because it provides a framework for examining the institutional factors influencing financial inclusion among MSMEs in agriculture and trade in Chipata District.

2.3 Conceptual Framework

The interaction between the components in a research study is depicted by a conceptual framework (Mugenda & Mugenda, 2003). It attempts to explain the relationships between the variables and to identify which are dependent and which are independent.

Figure 2.1: Conceptual Framework



Source: Author (2023)

The dependent variable, financial inclusion, assesses how easy it is for people or small businesses to get and use appropriate financial services. According to the conceptual framework, the independent variables of financial literacy and awareness, access to financial services, financial service quality, and financial service affordability have an influence on the degree of financial inclusion. Improved financial literacy, better access to financial services, higher-quality financial services, and more cheaply priced financial services are expected to contribute to increased financial inclusion among MSMEs in Chipata District's agriculture and trade.

2.4 Research Gap

The current study investigates the factors that affecting financial inclusion for Micro, Small and Medium Enterprises (MSMEs) active in trade and agriculture in Chipata District, Zambia. A careful assessment of the literature revealed substantial gaps that demand further exploration. These gaps in the research as the literature review points out highlight areas in which the body of information already in existence might not be sufficient to fully comprehend the variables impacting financial accessibility among MSMEs in trade and agriculture.

The assessment of the literature incorporates research done in several global and regional contexts, each with distinct socio-economic, cultural, and regulatory dynamics. The literature, however, falls short in capturing the particular contextual subtleties and regional differences that influence the financial accessibility determinants among particular MSMEs involved in commerce and agriculture in Chipata District. A more thorough examination of these regional variables can yield a more specialized and situationally appropriate comprehension of the promoters and impediments to financial inclusion in the research region.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

The methodology for the study is presented in this chapter, along with the steps taken to find out how financial inclusion, financial literacy, awareness, accessibility, quality, and affordability of financial services relate to Micro, Small and Medium Enterprises (MSMEs) in agriculture and trade in Chipata District.

3.2 Research Approach

The study adopted quantitative research approach. Quantitative research methods are chosen to gather numerical data and conduct statistical analyses. This approach enables the measurement of relationships between variables and provides empirical evidence to support or refute hypotheses (Creswell, 2013). Patterns, trends, and statistical connections within the dataset may be easily identified with the use of quantitative approaches, which enable the systematic collecting and analysis of numerical data (Neuman, 2014).

In the context of researching financial inclusion among MSMEs in Chipata District, quantitative research provides an organised and rigorous way to examine the relationships between financial inclusion, financial literacy, awareness, access to financial services, quality of financial services, and affordability of financial services. The project intends to quantify the strength of these links using surveys and statistical analysis, adding to our understanding of the variables driving financial inclusion in Chipata District. Quantitative research is particularly suitable when seeking to generalize findings to a broader population (Creswell, 2014). Therefore, the results were generalized to all the MSMEs in agriculture and trade in Chipata District.

3.3 Research Design

To examine the links between financial inclusion and financial literacy, awareness, access to financial services, quality of financial services, and financial service affordability among MSMEs, a correlational research design was utilised. Correlational research design is a type of research methodology that focuses on examining the

relationships between two or more variables without manipulating an independent variable. According to Coolican (2017), this design is particularly useful when researchers aim to understand the statistical patterns and associations between variables, providing insights into how changes in one variable may relate to changes in another. Through data analysis, the research aims to uncover statistical relationships between these factors to understand how variations in financial literacy, access, quality, and affordability correlate with levels of financial inclusion in among MSMEs in Chipata District.

3.3 Population

MSMEs in Chipata District that are actively involved in trade and agriculture constitute the population under study, which consisted of seventy (70) entities according to PACRA at the time the study was conducted. The choice of MSMEs in the trade and agriculture sectors is consistent with the study's goal of comprehending the connections between financial inclusion, awareness, and financial literacy as well as the accessibility, affordability, and quality of financial services within these particular industries. In order to improve the study findings' external validity, Cooper and Schindler (2014) stress how crucial it is to precisely define the population.

3.4 Sample Size

The study opted to use a sample instead of the entire population of seventy (70) registered MSMEs in Chipata District due to logistical constraints and resource limitations. It allowed for more manageable data collection while still ensuring statistical rigor and generalizability of findings to the broader population. Using Slovin's method, the sample size for the study was established from the population of 70 MSMEs:

$$n = \frac{N}{1 + N(e)^2} = \frac{70}{1 + 70(0.05)^2} = 59.57 \text{ MSMEs} \approx 60 \text{ MSMEs}$$

The rationale for selecting a sample size of 60 MSMEs from the population of 70 in Chipata District is driven by the need for representation, resource constraints, statistical validity, and feasibility. This sample size allows for meaningful research

outcomes while acknowledging the practical limitations inherent in conducting research.

3.5 Sampling Technique

Homogeneous purposive sampling was employed to select MSMEs that represent the characteristics of the population. This methodology permits a focused and deliberate selection of participants (Creswell & Creswell, 2017). By intentionally opting for MSMEs involved in commerce and agriculture, the study guarantees that the selected sample is in line with the specific focus of the research objectives. Creswell and Creswell (2017) emphasize that purposive sampling is especially valuable in investigations where researchers strive to gain comprehensive insights into a particular phenomenon within a clearly defined population. Purposive sampling is an appropriate method in this case because the study's goal is to investigate the relationships between financial inclusion, financial literacy, awareness, access to financial services, financial service quality, and financial service affordability among MSMEs in the Chipata District. The deliberate selection of MSMEs according to their engagement in commerce and agriculture increases the sample's relevance to the research issues, strengthening the study's internal validity. This method enables a more targeted analysis, guaranteeing that the information gathered provides significant insights into the financial environment of MSMEs in the selected industries.

3.6 Data Collection Instruments

Questionnaires with a Likert scale (five levels) were used to collect data. The Likert scale, ranging from 1 ("Strongly Disagreed") to 5 ("Strongly Agreed"), offers a structured approach to gather quantitative responses on participants' perceptions related to financial inclusion, financial literacy and awareness, access to financial services, quality of financial services, and affordability.

Table 1: Likert Scale

SCALE	RESPONSE	MEAN INTERVAL	INTERPRETATION
5	Strongly Agree(SA)	4.51-5.00	Very High
4	Agree(A)	3.51-4.50	High
3	Neutral	2.51-3.50	Moderate
2	Disagree	1.51-2.50	Low
1	Strongly Disagree	1.00-1.50	Very low

Sekaran and Bougie (2016) emphasize the effectiveness of Likert scales in measuring attitudes and opinions within a standardized framework. The use of a Likert scale in the questionnaires aligns with the quantitative research approach chosen for this study, facilitating the systematic collection of numerical data that can be subjected to statistical analyses.

3.7 Data Analysis

Correlation and multiple linear regression analyses were employed in this study's quantitative data analysis to explore relationships and evaluate theories related to financial inclusion and factors influencing it on Micro, Small and Medium Enterprises (MSMEs). By assessing the direction and strength of linear correlations between variables, correlation analysis provides information about the linkages found in the collected data (Hair Jr. et al., 2019). Linear regression analysis, as employed in this study, aids in comprehending the predictive capability of variables and their impact on financial inclusion among SMEs. It allows for the identification of significant predictors and the quantification of their influence on the dependent variable (Gujarati & Porter, 2009). The selection of these statistical techniques aligns with the adopted quantitative research approach, thereby furnishing a robust framework for analysing numerical data and drawing empirical conclusions regarding the investigated relationships.

3.8 Reliability and Validity

Reliability: To evaluate the instruments' dependability, ten MSMEs randomly chosen respondents from Chipata District participated in a pilot research. The reliability of the instrument was assessed using the Cronbach's Alpha test after the collected

questionnaires were coded. Every variable was higher than the recommended cut-off value of 0.7, as indicated by the test's coefficients, which are summarised in the table below.

Table 2: Cronbach's Alpha Coefficients

Variables	No. of Items	Cronbach's Alpha
Financial Inclusion	4	0.721
Financial Literacy and Awareness	6	0.862
Access to Financial Services	4	0.794
Quality of Financial Services	6	0.918
Financial Service Affordability	4	0.841

Validity: Face and content validity were used to evaluate the validity of the instrument for data collection. A lecturer at the University of Lusaka's Faculty of Business examined it, and any required changes were made in response to their comments. Experts also assessed the language suitability and content validity.

3.9 Limitation of the Study

Logistical issues including transportation, time, and money restricted the study to a representative sample of MSMEs in Chipata District engaged in agriculture and trade.

3.10 Ethical Consideration

Ethical considerations play a crucial role in ensuring the integrity and well-being of participants in the research process (Bryman, 2016). In this study, adherence to ethical standards involved maintaining participant confidentiality, ensuring voluntary participation, and promoting transparency in reporting results.

The establishment of face and content validity, an important component of research instrument validation, involved expert reviews to guarantee the relevance and appropriateness of the data collection tools. Additionally, the study underwent ethical scrutiny, emphasizing the protection of participants' rights and well-being. These ethical practices are in unison with the principles outlined in research ethics guidelines,

emphasizing the responsibility of researchers to conduct studies with integrity and respect for participants.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.0 Introduction

The research report is organized around this chapter. It displays the results of the survey's data analysis and collection.

4.1 Response Rate

A study's response rate is an essential component that indicates how involved and eager individuals are to participate in the research. Sixty (60) Micro, Small and Medium-Sized Enterprises (MSMEs) in the commerce and agricultural sectors made up the original sample population of the current study, which was carried out in Chipata District. Nonetheless, the research yielded an excellent response rate of 83.3%, with 50 valid replies out of 60 questionnaires distributed.

While the response rate is generally considered satisfactory (Fincham, 2008), it is essential to acknowledge the non-participation of some MSMEs in the survey. Various factors contributed to this, such as time constraints, business priorities, or other logistical challenges faced by the enterprises. Despite the slightly lower-than-expected response rate, the 50 received responses still provide a substantial dataset for analysis and interpretation.

4.2 Demographics

Demographics refers to the details about the people who answered the surveys. For this research, the demographic information presented above offers insights into the characteristics of the study population, focusing on MSMEs in agriculture and trade within Chipata District was organized into categories such as gender, age, education, type of business, business existence, income, and the financial institution associated with the MSMEs.

For gender distribution, the larger number of respondents are male, constituting 72% (14) of the sample, while females make up the remaining 28% (36). This gender distribution suggests a notable gender imbalance within the MSMEs in the study area, possibly indicating variations in business participation and opportunities between men and women.

Table 3: Respondent's Information

Variables	Description	Frequency	Percent
Gender	Male	36	72
	Female	14	28
	Total	50	100
Marital status	Single	15	30
	Married	32	64
	Divorced	1	2
	Widow/ Widower	2	4
	Total	50	100
Age	18-30 years	10	20
	31-40 years	27	54
	41-50 years	11	22
	Over 50 years	2	4
	Total	50	100
Education	Certificate	23	46
	Diploma	12	24
	Degree	7	14
	Masters	8	16
	Total	50	100

Examining marital status among the MSME owners and employees in the agriculture and trade sectors, the data presents a diverse representation. The majority of respondents are married, comprising 64% (32 individuals) of the sample. Singles account for 30% (15 individuals), while widows/widowers constitute 4% (2 individuals), and divorced individuals make up 2% (1 individual). Understanding the marital status of individuals engaged in MSMEs is essential for comprehending the broader socio-economic context in which these enterprises operate.

Moving on to the age distribution, the data reflects a diverse representation of different age groups among the MSMEs. The highest proportion falls within the 31-40 years age range, comprising 54% (27) of the respondents. This finding implies that individuals in their thirties are more actively involved in MSMEs within the agriculture and trade sectors in Chipata District.

Education levels among MSMEs in agriculture and trade indicate a varied landscape. The largest percentage of respondents hold certificates, accounting for 23 (46%) respondents, followed by diploma holders with 12 (24%), degree holders, 7 (14%), and those with master's degrees were 8 (16%). This distribution highlights the diverse

educational backgrounds within the MSME sector, potentially influencing business practices, decision-making processes, and overall business success.

Table 4: SME Information

Variables	Description	Frequency	Percent
Business	Agriculture	33	66
	Trade	16	32
	Small scale mining	1	2
	Total	50	100
Business existence	Below 2 years	3	6
	2-4 years	13	26
	5-9 years	19	38
	10-15 years	13	26
	Above 15 years	2	4
	Total	50	100
Income	Below ZMW4000	7	14
	ZMW4000-ZMW8000	14	28
	ZMW8000-ZMW12000	11	22
	ZMW12000-ZMW14000	15	30
	Above ZMW14000	3	6
	Total	50	100
Institution	ZANACO	4	8
	Indo-Zambia Bank	6	12
	FINCA	6	12
	Natsave	11	22
	other	23	46
	Total	50	100

The type of business conducted by the MSMEs in the study area is predominantly in agriculture with 33 (66%) respondents captured, followed by trade with 16 (32%), and only 1 (2%) engaged in small-scale mining. This breakdown underscores the significance of agriculture as a dominant economic activity within Chipata District, potentially shaping the financial needs and challenges faced by MSMEs in the region.

When examining the duration of business existence, the majority of MSMEs have been operating for 5-9 years which were 19 (38%) in total, followed by 2-4 years with 13 (26%). This suggests a relatively stable and established MSME landscape in Chipata District, with a notable proportion of businesses having sustained their operations over several years.

Income distribution among the MSMEs reveals that the highest percentage constituting 15 respondents falls within the ZMW12000-ZMW14000 income range

making up 30%. This information provides a glimpse into the financial well-being of SMEs in the study area, with implications for their admission to financial services and resources.

Lastly, the distribution of MSMEs across different financial institutions indicates a varied choice of banking partners. The most commonly used institutions include other banks with 23 (46%) individuals selecting the option, NatSave with 11 (22%), and FINCA with 6 (12%). This diversity in financial institution selection highlights the importance of understanding the preferences and needs of MSMEs when it comes to financial services.

In summary, the presented demographic information sheds light on the diverse landscape of MSMEs in agriculture and trade in Chipata District. Understanding these demographic characteristics is crucial for policymakers, financial lending institutions, and other stakeholders aiming to promote financial inclusion and support the growth of MSMEs in the region.

4.3 Correlation Analysis

The research exploring the causes impacting financial inclusion among a subgroup of Micro, Small and Medium Enterprises (MSMEs) in Chipata District's agriculture and commerce provides useful information on the linkages between different variables, as indicated by the given correlation data. The analysis takes into account the following independent and control variables in relation to the dependent variable, financial inclusion: financial literacy and awareness, access to financial services, quality of financial services, affordability of financial services, and gender, age, marital status, education, business, business existence, income, and institution.

Table 5: Correlation Analysis

Variables	Mean	Std. Devia	1	2	3	4	5	6	7	8	9	10	11	12	13
1 Financial inclusion	3.19	0.80743													
2 Gender	1.28	0.454	.409**	--											
3 Age	2.1	0.763	0.159	-0.024	--										
4 Marital status	1.8	0.67	0.034	-0.013	.399**	--									
5 Education	2	1.125	-0.028	-0.04	.285*	-0.135	--								
6 Business	1.36	0.525	-0.165	-0.089	-0.143	-0.081	-0.138	--							
7 Business existence	2.96	0.968	0.134	-.299*	.448**	.333*	0.112	-.292*	--						
8 Income	2.86	1.178	-0.02	-0.154	.402**	0.248	-0.015	-0.181	.657**	--					
9 Institution	3.86	1.34	0.242	-0.169	0.234	0.036	.338*	-0.101	.279*	0.026	--				
10 Financial literacy and Awareness	4.16	0.63973	.411**	-0.169	.336*	0.163	0.066	-.367**	.549**	.387**	.407**	--			
11 Access to Financial Services	3.39	0.83324	.530**	0.137	0.154	0.124	0.049	-0.083	0.228	0.062	.287*	.495**	--		
12 Quality of Financial Services	3.3633	0.7966	.468**	-0.108	0.079	0.088	0.095	-0.189	.337*	0.164	0.182	.553**	.656**	--	
13 Financial Service Affordability	2.71	0.87825	.563**	0.157	-0.078	-0.066	0.067	-0.112	-0.12	-0.158	0.216	.398**	.590**	.618**	--

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Financial inclusion has a standard deviation of 0.80743 and a mean of 3.19. The correlation matrix depicts the connections between financial inclusion and other variables. Financial literacy and awareness ($r = 0.411$, $p 0.01$), access to financial services ($r = 0.530$, $p 0.01$), financial service quality ($r = 0.468$, $p 0.01$), and financial service affordability ($r = 0.563$, $p 0.01$) are all positively and substantially connected with financial inclusion. This implies that MSMEs with better access to low-cost financial services, stronger financial literacy, and superior financial skill are more likely to be financially inclusive.

Only gender exhibited a statistically significant positive connection ($r = 0.409$, $p 0.01$) with financial inclusion when the control factors were examined. This means that female respondents in general had a greater level of financial inclusion.

When other variables are controlled for, financial literacy, awareness, and access to financial services are substantially and positively connected ($r = 0.495$, $p 0.01$). The consequence is that MSMEs with better access to financial services have higher levels of financial literacy and awareness. Positive connections between financial service affordability, financial literacy and awareness ($r = 0.590$, $p 0.01$), and access to financial services ($r = 0.618$, $p 0.01$) show how these traits are interrelated.

4.4 Regression Analysis

Due to the inability of the correlation analysis to establish causal effects of variables, the study went further and conducted regression analysis, in order to address the research objectives. Specifically, the hierarchical regression analysis was conducted with financial inclusion as the dependent variable. The remaining variables were included gradually into the model.

A thorough knowledge of the interactions between the many research variables is provided by the model summary and regression results that are offered in table 6, with a focus on the factors that influence MSMEs' financial inclusion in Chipata District. Five distinct models were obtained from the regression analysis in the study, each improving on the preceding one by adding new independent variables.

Table 6: Regression Analysis

	MODE 1		MODEL 2		MODEL 3		MODEL 4		MODEL 5		
Constant Variables	Beta	SE	Beta	SE	Beta	SE	Beta	SE	Beta	SE	VIF
Gender	0.731***	0.235	0.873***	0.208	0.746***	0.205	0.813***	0.203	0.719**	0.202	1.215
Age	0.198	0.146	0.02	0.135	0.031	0.128	0.071	0.127	0.136	0.127	1.36
Education	-0.047	0.099	-0.033	0.086	-0.04	0.082	-0.057	0.08	-0.072	0.078	1.119
Independent variables											
Financial literacy and Awareness			0.619***	0.156	0.405*	0.173	0.296	0.179	0.242	0.176	1.823
Access to Financial Services					0.303*	0.126	0.152	0.147	0.08	0.148	2.187
Quality of Financial Services							0.292	0.158	0.179	0.164	2.459
Financial Service Affordability									0.26	0.135	2.034
F		3.826*		7.706***		7.965***		7.571***		7.419***	
F Change		3.826		15.682		5.75		3.414		3.679	
R		0.447		0.638		0.689		0.717		0.744	
R Squared		0.2		0.407		0.475		0.514		0.553	
Adjusted Rsquared		0.147		0.354		0.415		0.446		0.478	
R Squared Change		0.2		0.207		0.069		0.039		0.039	

***sig<0.001(0.1 percent), **sig<0.01 (1 percent),*sig<0.05 (5 percent)

Gender is a significant predictor of financial inclusion in model 1 with a positive beta value of 0.731 (p 0.001). This implies that male gender is associated with greater levels of financial inclusion among MSMEs. In Models 2 through 5, this paradigm is broadened by include more independent variables.

Model 2 finds a statistically significant positive relationship ($\beta = 0.619$, p 0.001) between financial literacy and awareness and financial inclusion. This means that MSMEs are more financially inclusive when they have higher levels of financial literacy and awareness.

Access to financial services is also an independent variable in Model 3 with a substantial positive association ($\beta = 0.303$, p 0.05). This implies that providing financial services has a favourable impact on MSMEs' financial inclusion.

According to Model 4, the quality of financial services and financial inclusion have a favourable but insignificant relationship. Gender remained a significant factor impacting financial inclusion in the fifth and final model, with a positive coefficient ($\beta = 0.719$, p = 0.001). Gender influences financial inclusion outcomes, as proven by the fact that people who identify as female are more likely than men to have greater levels of financial inclusion. The greatest degree of education had a negative but non-significant relationship with the control variables ($\beta = -0.072$, p = 0.360), whereas age group had a positive but non-significant relationship ($\beta = 0.136$, p = 0.293). This shows that the development of financial services availability has a favourable influence on MSMEs' financial inclusion.

According to Model 4, the quality of financial services and financial inclusion have a favourable but insignificant relationship. Gender remained a significant factor influencing financial inclusion in the fifth and final model, with a positive coefficient ($\beta = 0.719$, $p = 0.001$). This suggests that persons who identify as female are more likely to have greater levels of financial inclusion than their male counterparts, highlighting the importance of gender in financial inclusion outcomes. The greatest degree of education had a negative but non-significant relationship with the control variables ($\beta = -0.072$, $p = 0.360$), whereas age group had a positive but non-significant relationship ($\beta = 0.136$, $p = 0.293$). Financial literacy and awareness ($\beta = 0.242$), access to financial services ($\beta = 0.080$), quality of financial services ($\beta = 0.179$), and affordability of financial services ($\beta = 0.260$) are among the characteristics with beta values showing beneficial correlations. This implies that higher levels of each feature are associated with greater financial inclusion. However, at the customary 0.05 threshold, none of the independent variable coefficients approached statistical significance.

Furthermore, the F-statistics across models show the overall relevance of the regression models. The R-squared values represent the percentage of the variance in financial inclusion that the models can explain. Model 5 has the greatest R-squared value (0.553) since it covers all independent variables. According to this study, the interaction of gender, age, education, financial literacy, accessibility to financial services, cost of financial services, and quality of financial services may explain approximately 55.3% of the variation in financial inclusion.

4.6 Chapter Summary

The data that was gathered and examined is summarised in this chapter. An outline of the respondents' demographics, from whom the data was gathered, was given by the research. The chapter also presents an explanation of the conclusions drawn from the data coding and analysis procedure, using Excel and SPSS version 27 as the relevant software tools.

CHAPTER FIVE

DISCUSSIONS AND FINDINGS

5.0 Introduction

This chapter provides an in-depth analysis and interpretation of the research findings. This is accomplished by delineating each of the study's aims and providing the results derived from the processes employed for data analysis. Subsequently, these findings are compared with existing studies.

5.1 Demographic Characteristics of Respondents in Terms of Age, Gender, and Education

According to the research findings, gender has a crucial influence in determining the consequences of financial inclusion, with women being more likely than men to experience increased levels of financial inclusion. This gender-based trend is different from more general findings from the OECD/INFE (2020) International Survey of Adult Financial Literacy, which revealed a global trend of women having lower financial literacy than men, with this trend being especially noticeable in developing countries. However, there is a noteworthy exception to this general tendency in the current study, as women demonstrate higher levels of financial inclusion while having lower levels of financial knowledge. Similarly, the study introduces a nuanced perspective on age, indicating a positive yet non-significant association with financial inclusion. This implies the potential for a trend in which older age groups may contribute, albeit modestly, to higher levels of financial inclusion. This finding contrasts with the OECD/INFE (2020) survey, which observed that older adults tend to possess lower levels of financial literacy compared to their younger counterparts. This divergence underscores the significance of context-specific analyses, as the relationship between age and financial inclusion may vary across distinct populations. The examination of education levels within the study presents a unique insight, revealing a negative yet non-significant correlation between higher levels of education and financial inclusion. This suggests that individuals with advanced educational backgrounds may experience slightly diminished levels of financial inclusion. This finding once again diverges from the broader correlation highlighted within the OECD/INFE (2020) survey, wherein financial literacy is positively associated with higher levels of

education. This discrepancy underscores the necessity for localized studies to capture the intricacies of how education interacts with financial inclusion within specific contexts. Regarding the significance of gender as discovered within the study, comparisons with the findings of the World Bank (2021) emphasize the importance of regional dynamics in gender-based trends pertaining to financial inclusion. While the global trend indicates a gender disparity with men exhibiting higher rates of borrowing and saving for business purposes, regional disparities, as observed within the present study, demonstrate a reversal of the gender gap. Within the study's area, women are more inclined to borrow for educational purposes, school fees, as well as health and medical reasons over the past decade. This regional distinction reinforces the importance of comprehending localized trends for the formulation of effective policies.

5.2 The Relationship Between Financial Literacy and Awareness and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District

The research investigated the correlation between financial inclusion and the degree of financial literacy and awareness among Micro, Small and Medium Enterprises (MSMEs) involved in trade and agriculture. It was unexpected that the regression analysis, which yielded a beta coefficient (β) of 0.101 and a p-value of 0.302, did not find any statistically significant correlation between financial inclusion and awareness. But when a correlation analysis was done, it was shown that financial knowledge and inclusion had a significant positive link ($r = 0.234$, $p < 0.05$). Based on these results, it appears that although financial inclusion, awareness, and literacy do have a link, it may not be strong enough for the regression model to classify it as a significant predictor. This finding resonates with the existing body of literature on financial inclusion and literacy, which sheds light on the nuanced and intricate nature of these relationships.

The limited impact of awareness on financial inclusion is a recurring theme in various studies, including the one recently conducted by Kobugabe and Rwakihembo (2022) in Western Uganda. In their study, they found that financial literacy, rather than awareness alone, emerged as a more influential factor in driving financial inclusion. The present study's high positive link between inclusion and financial awareness is another noteworthy finding that is consistent with larger body of studies in this area. Hussain, Salia, and Karim (2018), for example, found that financial literacy plays a

crucial role in minimising information asymmetry and enhancing MSMEs' access to funding. The current study's findings, which show a multidimensional relationship between awareness, literacy, and inclusion, are consistent with the nuanced aspects of financial inclusion.

This complication has been well-documented in past investigations, such as the one conducted in India by Kumar and Pathak (2022). Their study emphasises the link between financial awareness and inclusion while admitting the potentially greater benefit of financial literacy. The current study's special focus on trade and agriculture-related MSMEs contributes further depth and variety to the findings. Analogous research, such that conducted in Ethiopia by Oshora et al. (2021) and Bangladesh by Afrin, Haider, and Islam (2017), sheds more light on the particular dynamics of financial presence in the agriculture sector. These studies highlight the significance of variables other than awareness, such as credit literacy and other supply-side components. Overall, the current study highlights the complexity of these linkages for MSMEs in trade and agriculture and adds to the expanding body of information on financial inclusion and literacy.

5.3 The Relationship Between Access to Financial Services and Financial Inclusion among MSMEs in the Agriculture and Trade Chipata District.

The second purpose of the study was to look at the relationship between MSMEs' access to financial services in Chipata District and their financial inclusion in the agricultural and trade sectors. The regression analysis findings ($\beta = 0.054$, $p = 0.482$) did not demonstrate a statistically significant relationship between the availability of financial services and financial inclusion. According to the correlation study, the ability to get financial services and financial inclusion are strongly positively connected ($r = 0.213$, $p < 0.05$). This conclusion highlights the complexities of these connections and is consistent with previous studies on financial inclusion and access to financial services.

The findings of studies such as Bongomin et al. (2016)'s research in Uganda, which discovered that networks and financial literacy function as moderating factors in the relationship between financial literacy and financial inclusion, are consistent with the regression analysis's lack of a statistically significant association. This shows that other variables may impact the availability of financial services. The ability to receive

financial services and financial inclusion have a positive relationship, which is consistent with previous research, such as Raza et al. (2019)'s study in Pakistan. Their research revealed that financial inclusion and economic development are inextricably linked, emphasising the importance of expanding financial access to encourage economic growth—for example, by strengthening the establishment of bank accounts and branches. By focusing on MSMEs in agriculture and trade in Chipata District, this study provides accurate and relevant data. Similar studies shed light on the specific dynamics of financial inclusion in the agriculture sector. Thakor and Karve (2017) conducted a research on the economic impact of financial inclusion on farmers in tribal areas of Gujarat, India. These studies underline the significance of a comprehensive financial inclusion plan that takes into account the particular requirements and challenges encountered by businesses across various industries.

5.4 The Relationship Between the Quality of Financial Services and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District.

The third goal of the study was to investigate the relationship between the quality of financial services provided by Micro, Small and Medium Enterprises (MSMEs) and financial inclusion in the business and agricultural sector in Chipata District. Despite the study's strong association, regression analysis ($\beta = 0.072$, $p = 0.214$) did not reveal a statistically significant relationship between financial inclusion and the quality of financial services. According to the study, MSMEs in the agricultural and trade that are more financially integrated and obtain superior financial services have a statistically significant positive connection ($r = 0.301$, $p < 0.01$).

This surprising conclusion shows that, while there is a significant positive association between financial inclusion and financial service quality, the regression model may not completely account for this link. The lack of statistical significance in the regression analysis demonstrates the complexities of the relationship between financial inclusion and the quality of financial services, which is consistent with previous findings in other studies. According to an Ethiopian research conducted by Oshora et al. (2021), there is a positive relationship between financial inclusion and the quality of financial services. Their findings showed that supply-side and demand-side factors, market potential, and collateral requirements all had a positive influence on enterprises'

capacity to receive finance, indicating the interdependence of financial inclusion and the quality of financial services.

These findings are also consistent with a wider body of research on financial inclusion and its impact on economic growth. According to the findings of Raza et al. (2019), there is a link between financial inclusion and economic progress. This shows that a comprehensive financial inclusion plan that considers the quality of financial services may also help the economy thrive. The study's contextual relevance is strengthened by focusing on MSMEs in both agriculture and commerce in Chipata District. Similarly, studies such as Maziriri, Mapuranga, and Madinga (2018) on self-service banking and financial literacy as indicators of business success among rural MSMEs in Zimbabwe advance our understanding of the numerous variables influencing the quality of financial services provided to MSMEs.

5.5 The Relationship Between Financial Service Affordability and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District.

The fourth goal of the study was to investigate the relationship between MSMEs' engagement in agriculture and trade in Chipata District and access to financial services. Despite the positive association shown in the research, regression analysis indicated no statistically significant correlation between financial inclusion and financial service affordability ($\beta = 0.043$, $p = 0.561$). The correlation coefficient ($r = 0.278$, $p < 0.01$), on the other hand, demonstrated a robust relationship between the affordability of financial services and the level of financial inclusion among MSMEs in the commerce and agricultural sector. In light of these findings, more research into the link between the affordability of financial services and the engagement of MSMEs in the financial system is required.

Similar findings were obtained in Acharya and Vellayan's (2020) study on financial inclusion among MSMEs in India. Financial inclusion and financial service affordability were found to be positively connected, highlighting the importance of freely accessible and reasonably priced financial services for MSMEs. Additionally, this study is consistent with research from Nigeria by Balogun and Ogunlana (2019), who found that MSMEs with higher financial inclusion were more likely to have access to reasonably priced financial services. This implies that MSMEs' overall financial well-

being is enhanced by affordability, which acts as a catalyst for their increased integration into the formal banking system.

The regression analysis's lack of statistical significance illustrates how intricate the connection is between financial inclusion and financial service affordability. Larger-scale research on financial inclusion, such that done by Beck et al. (2018), also demonstrate this complexity. They stressed that financial inclusion is multidimensional and includes a range of factors, including cost. Reducing obstacles to entry, especially those related to cost, can also help MSMEs become more integrated into the financial sector, as seen by the positive association that has been found between the affordability of financial services and financial inclusion. Aggarwal and Goodell (2019) found similar results, suggesting that one important way to improve financial inclusion is by bringing down the cost of financial services, particularly for smaller businesses.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.0 Introduction

The key findings and outcomes of the study are summarised in this chapter, which also gives the conclusions. It also suggests areas for further study and offers suggestions based on the findings of the study.

6.1 Summary of the Findings

The summary of the findings of the study were presented in line with the research objectives as follows below:

Relationship between Financial Literacy and Awareness and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District

The study attempted to investigate the link between financial inclusion, awareness, and literacy among MSMEs involved in trade and agriculture in Chipata District. Despite the regression analysis failed to identify a statistically significant association ($\beta = 0.101$, $p = 0.302$), a high positive correlation ($r = 0.234$, $p < 0.05$) was identified between financial knowledge and inclusion. It implies that, even if a connection exists, it may be insufficient to predict inclusion in the regression model.

Relationship between Access to Financial Services and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District

According to the regression analysis, there is no statistically significant relationship between financial inclusion and access to financial services ($\beta = 0.054$, $p = 0.482$). However, the correlation study found a strong positive link ($r = 0.213$, $p < 0.05$) between financial inclusion and the availability of financial services.

Relationship between Quality of Financial Services and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District

Despite the fact that a significant association was discovered, the regression findings ($\beta = 0.072$, $p = 0.214$) did not show statistical significance. Nonetheless, a statistically significant positive link between financial inclusion and financial service quality was discovered ($r = 0.301$, $p < 0.01$).

Relationship between Financial Service Affordability and Financial Inclusion among MSMEs in Agriculture and Trade in Chipata District

When investigating the association between financial service affordability and financial inclusion, the regression analysis findings ($\beta = 0.043$, $p = 0.561$) did not indicate statistical significance. Despite the fact that affordability and inclusion are linked, a significant relationship ($r = 0.278$, $p < 0.01$) was identified, suggesting that affordability may not be a major predictor in the regression model.

6.2 Conclusion

This study gives useful information regarding the relationships between MSMEs in Chipata District's agriculture and commerce and financial literacy, awareness, accessibility, quality, affordability, and financial inclusion.

Financial Literacy and Awareness: While there was a high positive correlation between financial knowledge and inclusion, the regression analysis did not identify a statistically significant association. This suggests that although financial literacy plays a role, it may not be sufficient on its own to predict financial inclusion.

Access to Financial Services: Despite the regression analysis showing no statistically significant relationship between financial inclusion and access to financial services, a strong positive correlation was found between these variables. This indicates that while access to financial services is important, other factors may also influence financial inclusion.

Quality of Financial Services: Although the regression analysis did not find statistical significance, a significant positive correlation was discovered between financial inclusion and the quality of financial services. This highlights the importance of providing high-quality financial services to promote inclusion among SMEs.

Financial Service Affordability: The regression analysis did not indicate statistical significance regarding the association between financial service affordability and financial inclusion. However, a significant positive correlation was identified, suggesting that while affordability may not be a major predictor in the regression model, it still plays a role in promoting financial inclusion.

6.3 Recommendations

The following recommendations were made based on the findings:

- Microfinance policies should prioritize improving access to financial services for Micro, Small, and Medium enterprises (MSMEs) engaged in agriculture and trade, considering the positive relationship between financial inclusion and the ability to access financial services.
- It's crucial to establish and execute comprehensive financial education initiatives tailored to Micro, Small, and Medium Enterprises (MSMEs) in agriculture and trade sector. These programs are essential for enhancing their financial literacy and understanding, acknowledging the interdependence of various financial services.
- Prioritising the improvement of service quality might help financial service providers better meet the demands of MSMEs in agriculture and trade and possibly promote greater financial inclusion.
- There is need to explore measures aimed at improving the affordability of financial services for MSMEs in agriculture and trade, acknowledging the significant correlation found in the study.

6.4 Recommendation for Future Study

Given the breadth and complexity of the interactions examined in this study, it is suggested that future research look into how variables such as economic changes and technology improvements impact financial inclusion within a subset of Micro, Small and Medium Enterprises. Additional research may be done using a longitudinal method to capture the changing nature of financial inclusion and its drivers among MSMEs in agriculture and trade over time.

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7.0 APPENDICES

7.1 SPSS Outputs

7.1.1 Cronbach's Alpha

Financial Inclusion

Reliability Statistics

Cronbach's Alpha	N of Items
.721	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Financial Inclusion [My SME actively seeks financial inclusion opportunities.]	8.98	7.938	.294	.767
Financial Inclusion [My SME has easy access to credit from formal institutions.]	9.86	5.796	.553	.634
Financial Inclusion [My SME is satisfied with available financial inclusion opportunities.]	9.78	5.726	.597	.604
Financial Inclusion [Government policies and initiatives have greatly promoted financial inclusion among SMEs]	9.66	6.188	.616	.599

Financial Literacy and Awareness

Reliability Statistics

Cronbach's Alpha	N of Items
.862	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Financial Literacy and Awareness [I am financially literate]	20.84	10.137	.642	.843
Financial Literacy and Awareness [I regularly seek financial education to improve my literacy]	20.82	10.600	.691	.834
Financial Literacy and Awareness [I believe that financial literacy is essential for my SME.]	20.62	12.240	.516	.863
Financial Literacy and Awareness [I am aware of the financial services available to SMEs.]	21.08	8.687	.853	.798
Financial Literacy and Awareness [I have a good understanding of basic financial concepts.]	20.82	9.457	.728	.826
Financial Literacy and Awareness [I am aware of market information (cost of inputs and market price of agro products)]	20.62	11.955	.551	.858

Quality of Financial Services

Reliability Statistics

Cronbach's Alpha	N of Items
.794	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Access to Financial services [I have access to information on financial inclusion]	10.02	6.551	.702	.696
Access to Financial Services [Accessing formal financial services has been easy for my SME]	10.64	5.909	.723	.678
Access to Financial Services [I frequently access financial services]	10.58	5.555	.760	.655
Access to Financial Services [I believe that increased access to formal financial services would benefit my SME in terms of growth]	9.44	8.700	.275	.877

Quality of Financial Services

Reliability Statistics

Cronbach's Alpha	N of Items
.918	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Quality of Financial Services [I am content with the quality of financial services I get.]	16.90	16.337	.690	.915
Quality of Financial Services [I am happy reliability of financial services.]	16.78	16.012	.806	.898
Quality of Financial Services [I am content with the responsiveness of service providers.]	16.82	16.028	.836	.895
Quality of Financial Services [I am satisfied with the transparency of financial services.]	16.78	16.298	.761	.905
Quality of Financial Services [I am content with the ease of conducting transactions.]	16.76	15.411	.786	.902
Quality of Financial Services [I am happy with the availability of tailored solutions.]	16.86	16.653	.742	.907

Financial Service Affordability

Reliability Statistics

Cronbach's Alpha	N of Items
.841	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Financial Service Affordability [Financial services are available for my SME.]	7.56	7.762	.473	.895
Financial Service Affordability [Financial services are affordable for my SME]	8.34	7.535	.699	.789
Financial Service Affordability [The cost of accessing financial services is reasonable.]	8.34	6.760	.793	.744
Financial Service Affordability [Affordable financial services have positively impacted my SME's financial stability.]	8.28	7.185	.783	.754

7.1.2 Correlation Output

Descriptive Statistics

	Mean	Std. Deviation	N
Financial inclusion	3.1900	.80743	50
1. Gender	1.28	.454	50
2. What age group do you belong to?	2.10	.763	50
3. Marital status	1.80	.670	50
4. Highest level of Education	2.00	1.125	50
5. Type of Business	1.36	.525	50
6. How long has your SME been operating in Chipata District?	2.96	.968	50
7. Monthly income of your SME (in ZMW)	2.86	1.178	50
8. Which financial institution does your SME bank with?	3.86	1.340	50
Access to Financial Services	3.3900	.83324	50
Quality of Financial Services	3.3633	.79660	50
Financial Service Affordability	2.7100	.87825	50

Correlations

	Financial inclusion	1. Gender	2. What age group do you belong to?	3. Marital status	4. Highest level of Education	5. Type of Business	6. How long has your SME been operating in Chipata District?	7. Monthly income of your SME (in ZMW)	8. Which financial institution does your SME bank with?	Access to Financial Services	Quality of Financial Services	Financial Service Affordability	
Financial inclusion	Pearson Correlation	..											
	N	50											
1. Gender	Pearson Correlation	.409**	..										
	Sig. (2-tailed)	.003											
	N	50	50										
2. What age group do you belong to?	Pearson Correlation	.159	-.024	..									
	Sig. (2-tailed)	.270	.871										
	N	50	50	50									
3. Marital status	Pearson Correlation	.034	-.013	.399**	..								
	Sig. (2-tailed)	.815	.926	.004									
	N	50	50	50	50								
4. Highest level of Education	Pearson Correlation	-.028	-.040	.285*	-.135	..							
	Sig. (2-tailed)	.846	.783	.044	.349								
	N	50	50	50	50	50							
5. Type of Business	Pearson Correlation	-.165	-.089	-.143	-.081	-.138	..						
	Sig. (2-tailed)	.253	.538	.323	.575	.339							
	N	50	50	50	50	50	50						
6. How long has your SME been operating in Chipata District?	Pearson Correlation	.134	-.299*	.448**	.333*	.112	-.292*	..					
	Sig. (2-tailed)	.354	.035	.001	.018	.437	.040						
	N	50	50	50	50	50	50	50					
7. Monthly income of your SME (in ZMW)	Pearson Correlation	-.020	-.154	.402**	.248	-.015	-.181	.657**	..				
	Sig. (2-tailed)	.892	.285	.004	.082	.915	.209	<.001					
	N	50	50	50	50	50	50	50	50				
8. Which financial institution does your SME bank with?	Pearson Correlation	.242	-.169	.234	.036	.336*	-.101	.279*	.026	..			
	Sig. (2-tailed)	.090	.240	.103	.802	.016	.486	.050	.857				
	N	50	50	50	50	50	50	50	50	50			
Access to Financial Services	Pearson Correlation	.530**	.137	.154	.124	.049	-.083	.228	.062	.287*	..		
	Sig. (2-tailed)	<.001	.342	.285	.390	.735	.569	.111	.669	.043			
	N	50	50	50	50	50	50	50	50	50	50		
Quality of Financial Services	Pearson Correlation	.468**	-.108	.079	.088	.095	-.189	.337*	.164	.182	.656**	..	
	Sig. (2-tailed)	<.001	.453	.586	.544	.512	.189	.017	.255	.205	<.001		
	N	50	50	50	50	50	50	50	50	50	50	50	
Financial Service Affordability	Pearson Correlation	.563**	.157	-.078	-.066	.067	-.112	-.122	-.158	.216	.590**	.618**	..
	Sig. (2-tailed)	<.001	.277	.592	.649	.643	.439	.399	.272	.132	<.001	<.001	
	N	50	50	50	50	50	50	50	50	50	50	50	50

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

7.1.3 Regression Outputs

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	4. Highest level of Education, 1. Gender, 2. What age group do you belong to? ^b	.	Enter
2	Financial literacy and Awareness ^b	.	Enter
3	Access to Financial Services ^b	.	Enter
4	Quality of Financial Services ^b	.	Enter
5	Financial Service Affordability ^b	.	Enter

a. Dependent Variable: Financial inclusion

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.447 ^a	.200	.147	.74551	.200	3.826	3	46	.016
2	.638 ^b	.407	.354	.64908	.207	15.682	1	45	<.001
3	.689 ^c	.475	.415	.61732	.069	5.750	1	44	.021
4	.717 ^d	.514	.446	.60106	.039	3.414	1	43	.072
5	.744 ^e	.553	.478	.58317	.039	3.679	1	42	.062

a. Predictors: (Constant), Education, Gender, Age

b. Predictors: (Constant), Education, Gender, Age, Financial literacy and Awareness

c. Predictors: (Constant), Education, Gender, Age, Financial literacy and Awareness, Access to Financial Services

d. Predictors: (Constant), Education, Gender, Age, Financial literacy and Awareness, Access to Financial Services, Quality of Financial Services

e. Predictors: (Constant), Education, Gender, Age, Financial literacy and Awareness, Access to Financial Services, Quality of Financial Services, Financial Service Affordability

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.379	3	2.126	3.826	.016 ^b
	Residual	25.566	46	.556		
	Total	31.945	49			
2	Regression	12.986	4	3.247	7.706	<.001 ^c
	Residual	18.959	45	.421		
	Total	31.945	49			
3	Regression	15.177	5	3.035	7.965	<.001 ^d
	Residual	16.768	44	.381		
	Total	31.945	49			
4	Regression	16.410	6	2.735	7.571	<.001 ^e
	Residual	15.535	43	.361		
	Total	31.945	49			
5	Regression	17.662	7	2.523	7.419	<.001 ^f
	Residual	14.283	42	.340		
	Total	31.945	49			

a. Dependent Variable: Financial inclusion

b. Predictors: (Constant), Education, Gender, Age

c. Predictors: (Constant), Education, Gender, Age, Financial literacy and Awareness

d. Predictors: (Constant), Education, Gender, Age, Financial literacy and Awareness, Access to Financial Services

e. Predictors: (Constant), Education, Gender, Age, Financial literacy and Awareness, Access to Financial Services, Quality of Financial Services

f. Predictors: (Constant), Education, Gender, Age, Financial literacy and Awareness, Access to Financial Services, Quality of Financial Services, Financial Service Affordability

Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.931	.454		4.250	<.001		
	Gender	.731	.235	.411	3.112	.003	.998	1.002
	Age	.198	.146	.187	1.361	.180	.918	1.089
	Education	-.047	.099	-.065	-.473	.638	.917	1.090
2	(Constant)	-.479	.726		-.660	.512		
	Gender	.873	.208	.491	4.205	<.001	.968	1.033
	Age	.020	.135	.019	.150	.881	.816	1.226
	Education	-.033	.086	-.046	-.386	.701	.916	1.092
	Financial literacy and Awareness	.619	.156	.490	3.960	<.001	.860	1.163
3	(Constant)	-.461	.690		-.668	.508		
	Gender	.746	.205	.419	3.646	<.001	.903	1.107
	Age	.031	.128	.029	.239	.812	.815	1.227
	Education	-.040	.082	-.056	-.492	.625	.915	1.093
	Financial literacy and Awareness	.405	.173	.321	2.339	.024	.633	1.581
	Access to Financial Services	.303	.126	.312	2.398	.021	.704	1.421
4	(Constant)	-.611	.677		-.902	.372		
	Gender	.813	.203	.457	4.015	<.001	.874	1.144
	Age	.071	.127	.067	.560	.578	.791	1.265
	Education	-.057	.080	-.079	-.710	.482	.903	1.107
	Financial literacy and Awareness	.296	.179	.234	1.652	.106	.563	1.777
	Access to Financial Services	.152	.147	.157	1.030	.309	.488	2.047
	Quality of Financial Services	.292	.158	.288	1.848	.072	.467	2.144
5	(Constant)	-.456	.662		-.688	.495		
	Gender	.719	.202	.404	3.552	<.001	.823	1.215
	Age	.136	.127	.128	1.065	.293	.735	1.360
	Education	-.072	.078	-.101	-.925	.360	.894	1.119
	Financial literacy and Awareness	.242	.176	.192	1.377	.176	.549	1.823
	Access to Financial Services	.080	.148	.083	.543	.590	.457	2.187
	Quality of Financial Services	.179	.164	.177	1.092	.281	.407	2.459
	Financial Service Affordability	.260	.135	.282	1.918	.062	.492	2.034

a. Dependent Variable: Financial inclusion

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	(Constant)	Gender	Age	Education	Variance Proportions			
								Financial literacy and Awareness	Access to Financial Services	Quality of Financial Services	Financial Service Affordability
1	1	3.667	1.000	.00	.01	.01	.01				
	2	.194	4.352	.01	.17	.00	.73				
	3	.102	6.002	.00	.29	.64	.23				
	4	.038	9.870	.98	.53	.35	.03				
2	1	4.627	1.000	.00	.00	.00	.01	.00			
	2	.200	4.814	.00	.11	.00	.79	.00			
	3	.107	6.587	.00	.42	.38	.19	.01			
	4	.057	8.986	.06	.30	.59	.00	.10			
	5	.009	22.205	.94	.17	.03	.02	.89			
3	1	5.577	1.000	.00	.00	.00	.01	.00	.00		
	2	.209	5.171	.00	.07	.00	.79	.00	.01		
	3	.107	7.209	.00	.45	.33	.16	.01	.00		
	4	.070	8.908	.01	.27	.57	.01	.02	.13		
	5	.028	14.023	.19	.02	.06	.01	.06	.71		
	6	.008	25.806	.79	.20	.04	.02	.91	.15		
4	1	6.534	1.000	.00	.00	.00	.00	.00	.00	.00	
	2	.213	5.537	.00	.04	.00	.79	.00	.01	.00	
	3	.112	7.637	.00	.58	.11	.09	.01	.00	.02	
	4	.089	8.578	.00	.05	.68	.08	.00	.02	.05	
	5	.029	15.072	.22	.04	.09	.01	.07	.36	.01	
	6	.015	20.594	.05	.14	.06	.01	.03	.56	.89	
	7	.008	28.131	.73	.15	.05	.02	.89	.04	.03	
5	1	7.467	1.000	.00	.00	.00	.00	.00	.00	.00	.00
	2	.223	5.782	.00	.02	.01	.73	.00	.00	.00	.01
	3	.114	8.084	.00	.44	.07	.01	.00	.01	.02	.06
	4	.111	8.213	.00	.17	.42	.21	.00	.00	.00	.03
	5	.037	14.193	.12	.01	.38	.00	.04	.00	.02	.45
	6	.025	17.441	.08	.02	.01	.02	.03	.60	.03	.36
	7	.015	22.309	.05	.15	.03	.00	.04	.36	.92	.05
	8	.008	30.419	.75	.18	.07	.02	.88	.03	.00	.03

a. Dependent Variable: Financial inclusion

7.1.4 Normality Test Results

Tests of Normality^{a,b,e,f,g,h}

	Financial Service Affordability	Kolmogorov-Smirnov ^c			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
Financial inclusion	1.50	.385	3	.	.750	3	.000
	1.75	.260	2	.			
	2.00	.178	9	.200 [*]	.877	9	.144
	2.25	.260	2	.			
	2.50	.226	8	.200 [*]	.930	8	.519
	2.75	.288	4	.	.887	4	.369
	3.00	.238	5	.200 [*]	.873	5	.281
	3.25	.261	5	.200 [*]	.859	5	.223
	4.00	.421	6	.001	.672	6	.003

*. This is a lower bound of the true significance.

a. Financial inclusion is constant when Financial Service Affordability = 1.00. It has been omitted.

b. Financial inclusion is constant when Financial Service Affordability = 1.25. It has been omitted.

c. Lilliefors Significance Correction

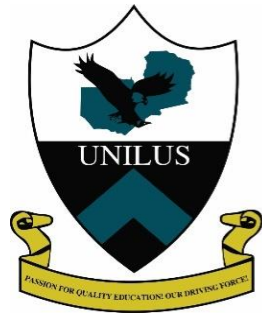
e. Financial inclusion is constant when Financial Service Affordability = 3.50. It has been omitted.

f. Financial inclusion is constant when Financial Service Affordability = 3.75. It has been omitted.

g. Financial inclusion is constant when Financial Service Affordability = 4.25. It has been omitted.

h. Financial inclusion is constant when Financial Service Affordability = 5.00. It has been omitted.

7.2: Questionnaire



UNIVERSITY
OF
LUSAKA

SCHOOL OF POST GRADUATE STUDIES

TOPIC: ASSESSING THE DETERMINANTS OF FINANCIAL INCLUSION AMONG SELECTED MICRO, SMALL AND MEDIUM ENTERPRISES IN AGRICULTURE AND TRADE IN CHIPATA DISTRICT

Dear Respondent,

My name is Gillian Mwanza, I am a Postgraduate student at the University of Lusaka pursuing a Master's degree in Business Administration General. As a requirement for the fulfilment of the award of a Master's degree, I am currently undertaking a research study on the above topic.

You have been selected randomly and purposively to take part in this academic study because I am confident that you possess valuable insights pertaining to the research topic. Please be assured that all the information you provided will be treated with utmost confidentiality and used solely for academic purposes for pursuit of this master's degree.

Note: Please answer the following questions to the best of your knowledge. Your responses will contribute to the understanding of the determinants of financial inclusion among selected small and medium enterprises in agriculture and trade in Chipata District.

Instructions

1. Do not indicate your name on the questionnaire
2. Please indicate your level of agreement by Ticking the right option based on your experience and observation. Use the five-point Likert scale provided

where: 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5 = Strongly Agree

3. Please try as much as possible to answer all questions and if in doubt, ask the interviewer.

SECTION 1: DEMOGRAPHIC INFORMATION

1.1. Please indicate your gender:

- a) Male
- b) Female

1.2. What age group do you belong to?

- a) 18-30 years
- b) 31- 40 years
- c) 41-50 years
- d) Over 50 years

1.3. Marital status

- a) Single
- b) Married
- c) Divorced
- d) Widow/Widower

1.4. Highest Level of Education

- a) Certificate
- b) Diploma
- c) Degree
- d) Masters
- e) Other _____

1.5. Type of Business

- a) Agriculture
- b) Trade
- c) Small scale mining
- d) Other (state) _____

1.6. How long has your MSME been operating in Chipata District?

- a. Below 2 years
- b. 2- 4 years
- c. 5-9 years
- d. 10-15 years
- e. Above 15 years

1.7. Monthly Income of Your MSME (in ZMW)

- a) Below ZMW 4000
- b) ZMW 4000-ZMW8,000
- c) ZMW 8000- ZMW12,000
- d) ZMW12,000- ZMW 14,000
- e) Above ZMW 14,000

1.8. Which financial institution does your MSME bank with

- a) ZANACO
- b) Indo-Zambia Bank
- c) FINCA
- d) Natsave

e) Other(state) _____

SECTION B: DEPENDENT VARIABLE

1. Financial Inclusion

Financial inclusion refers to the availability and access to a wide range of financial services and products at affordable costs to all individuals and businesses, regardless of their income level or economic status.

Using a Likert scale of 1 to 5, tick (√) one response that best reflects your opinion, where: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4= Agree, and 5 = Strongly Agree

#	STATEMENTS	RESPONSE				
		1	2	3	4	5
1	My MSME actively seeks financial inclusion opportunities.					
2	My MSME regularly uses formal banking services.					
3	My MSME has easy access to credit from formal institutions.					
4	My MSME relies on informal financial sources.					
5	My MSME is satisfied with available financial inclusion opportunities.					

6	Government policies and initiatives have greatly promoted financial inclusion among MSMEs					
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SECTION C: INDEPENDENT VARIABLES

1. Financial Literacy and Awareness

Financial literacy and awareness refer to an individual's understanding and knowledge of financial matters, which enable them to make informed and effective financial decisions.

Using a Likert scale of 1 to 5, tick (√) one response that best reflects your opinion, where: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4= Agree, and 5 = Strongly Agree

#	STATEMENT	RESPONSE				
		1	2	3	4	5
1	I am financially literate					
2	I regularly seek financial education to improve my literacy					
3	I believe that financial literacy is essential for my MSME.					
4	I am aware of the financial services available to MSMEs.					
5	I have a good understanding of basic financial concepts.					

6	I am aware of market information (cost of inputs and market price of agro products)					
---	---	--	--	--	--	--

2. Access to Financial Services

Access to financial services refers to the ability of individuals and businesses to access and use a wide range of financial products and services, such as banking, savings, loans, insurance, and investment services.

2.1. Have you accessed formal financial services (e.g., bank accounts, loans) for your MSME in Chipata District?

- Yes
- No

2.2. If yes, please rate your experience with formal financial services on a scale of 1 to 5, where: Very Dissatisfied = 1, Dissatisfied = 2, Neutral = 3, Satisfied = 4 and Very Satisfied = 5.

#	Rating	RESPONSE				
		1	2	3	4	5
1	Satisfaction level					

2.3. Using a Likert scale of 1 to 5, tick (√) one response that best reflects your opinion, where: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4= Agree, and 5 = Strongly Agree

#	STATEMENT	RESPONSE				
		1	2	3	4	5
1	I have access to information on financial inclusion					
2	Accessing formal financial services has been easy for my MSME					
3	I frequently access financial services					
4	I have faced challenges in accessing formal financial services for my MSME					
5	I believe that increased access to formal financial services would benefit my MSME in terms of growth					

3. Quality of Financial Services

The quality of financial services refers to the standard and attributes of financial products and services offered to consumers or businesses

Please rate your satisfaction with the quality of financial services you have accessed for your MSME in Chipata District. Using a Likert scale of 1 to 5, tick (√) one response that best reflects your opinion, where: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4= Agree, and 5 = Strongly Agree

#	STATEMENT	RESPONSE				
		1	2	3	4	5
1	I am content with the quality of financial services I get.					
2	I am happy with the reliability of financial services.					
3	I am content with the responsiveness of service providers.					
4	I am satisfied with the transparency of financial services.					
5	I am content with the ease of conducting transactions.					
6	I am happy with the availability of tailored solutions.					

4. Financial Service Affordability

Financial service affordability refers to the extent to which financial products and services are reasonably priced and accessible to individuals and businesses, especially those with lower income levels.

Using a Likert scale of 1 to 5, tick (√) one response that best reflects your opinion, where: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4= Agree, and 5 = Strongly Agree

#	STATEMENT	RESPONSE				
		1	2	3	4	5
1	Financial services are available for my MSME.					
2	Financial services are affordable for my MSME					
3	The cost of accessing financial services is reasonable for my MSME.					
4	Affordable financial services have positively impacted my MSME's financial stability.					
5	I have faced financial constraints for my MSME due to the high cost of financial services.					
6	I would be willing to pay slightly higher fees for enhanced financial services for my MSME.					

5. Additional Comments

7.1. Please share any additional comments or insights regarding financial inclusion for MSMEs in Agriculture and trade in Chipata District. Has there been any support or capacity building training from the government?

Thank you for your participation! Your feedback is valuable in contributing to our research on financial inclusion among MSMEs in Chipata District.

7.3 Introductory Letter



UNIVERSITY
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LUSAKA

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Website: www.unilus.ac.zm

All correspondence should be addressed to the Vice Chancellor

16th October, 2023

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: DATA COLLECTION REQUEST: ASSESSING THE DETERMINANTS OF FINANCIAL INCLUSION AMONG SELECTED SMALL AND MEDIUM ENTERPRISES IN AGRICULTURE AND TRADE IN CHIPATA DISTRICT

This letter serves to introduce **GILLIAN MWANZA**, Identity Number **MBAGEN22113019** as a bona fide student of the University of Lusaka pursuing Master of Business Administration General.

GILLIAN MWANZA required to submit a dissertation as part of the requirements for the award of a Master of Business Administration General and therefore seeks to collect data from your institution. Her dissertation title is stated above. The data will be used solely for Academic purposes and a copy of the final document can be availed to you upon request.

Any assistance given to her will be greatly appreciated.

Yours faithfully,

Mwamba Chanda (Mr.)

DEPUTY REGISTRAR



Passion for Quality Education! Our Driving Force