

THE DIGITAL FINANCIAL INCLUSION OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) OF THE COMESA REGION INTO ELECTRONIC BUSINESS DURING AND POST THE COVID 19 PANDEMIC

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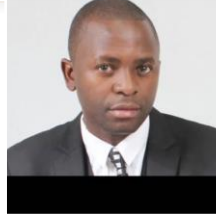
:Mrs Lucia Mandongwe

Our Team



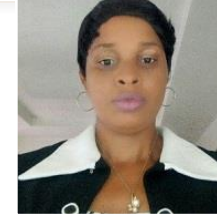
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Introduction

The study seeks to augment digital financial inclusion through e-business usage among MSMEs in Africa, COMESA.

The major unique contribution of the study lies in rejuvenating business performance during and post the Covid 19 era through e-business adoption

The study borders on the notion that digital financial inclusion and e-business enhance job and wealth creation

A cross-comparison of the digital divide within COMESA members will also be analyzed

Overview of the digital exclusion of Africa

Africa accounts for 15% of the world's human population. However, only 6.2% of the world's internet subscribers are Africans (Statista, 2021).

Using notable measurable indicators of internet and digital technological adoption (such as ISP subscriptions, the overall number of hosts, bandwidth, and IXP traffic), Africa is still lagging as compared to other continents (International Telecommunications Union, 2020).

A conspicuous internal digital divide is evident as countries like Kenya have 5G network whilst Zimbabwe and Mozambique struggle to host 4G networks (Statista, 2021).

Even some SMEs have failed to implement e-business practices and are thus digitally excluded. The lack of agility in e-business system saw over four million jobs getting lost in Africa as Covid 19 induced business volatility escalates (Statista, 2021).

A cross section of MSMEs and job losses during the Covid 19 pandemic

- MSMEs are integral in economic advancement, employment creation, and invention.
- Worrisomely though, most SMEs fail to develop sustainable business ventures. According to Forbes (2019) about 50% of new start ups fail in the first year of establishment whilst only 2% graduate from being small to medium enterprises over a period of 10 years.
- The Covid-19 pandemic exacerbated the situation as in-person business was brought to a halt overnight.
- That further led to massive job losses and collapse of some MSMEs who failed to embrace the new normalcy through e-business.
- However, reliable evidence has indicated that digital financial inclusion and e-business adoption is indispensable to a business's success and job creation (Abdullahi, 2020; Yahia, et al 2020; Idun, 2021).



Research Objectives

Main Research Objective

The study aims to develop and test a framework which augments digital financial inclusion through e-business usage among MSMEs in lagging segments of the COMESA region

Specific Objectives

1. To examine the dynamic trend of e-business adoption among MSMEs of the COMESA region.

2. To analyse the factors affecting the adoption of e-business amongst MSMEs of the COMESA region.

3. To examine the impact of e-business adoption on digital financial inclusion among MSMEs of the COMESA region

Research Methodology

- ❑ The study will follow a pragmatic research philosophy and will use a descripto-explanatory research design.
- ❑ The study will target MSMEs in the COMESA region.
- ❑ The study will use cluster sampling based on real GDP growth rate issued by COMESA (2020).

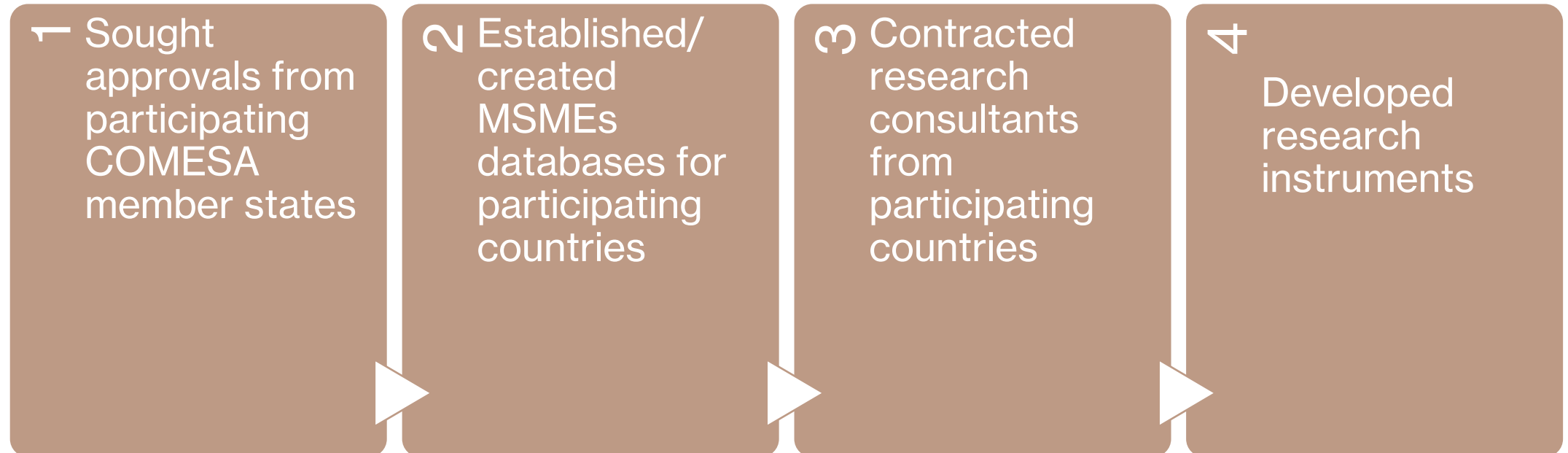


Cluster Sampling

CLUSTER A	CLUSTER B	CLUSTER C	CLUSTER D	CLUSTER E
Burundi	Comoros	Madagasc ar	Egypt, Arab Rep.	Somalia
Tunisia	Sudan	Djibouti	Ethiopia	Libya
Zambia	Eswatini	Kenya	Rwanda	Seychelles
Congo, Dem. Rep.	Eritrea	Malawi	Uganda	Zimbabwe
				Mauritius

Type of Enterprise	No. of Employees
Micro	2-9
Small	10-50
Medium	51-150

Strides so far made



Strides so far made (Contd...)



Data analysis plan

Descriptive
statistics of
demographics and
preliminary data

Reliability tests

Exploratory factor
analysis and
Confirmatory
factor analysis

Measurement
model analysis

Model fit analysis

Structural
equation model

In conclusion...

