

# Review of: "The Role of Financial Literacy on Sustainable Development of Micro, Small and Medium Enterprises (MSMEs) in Africa"

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Potential competing interests: No potential competing interests to declare.

## Comment by Assoc. Prof. Pornpen Vora-Sittha

This is an interesting study and the authors do provide good creativity and academic contribution. The paper explores the relationship between financial literacy and the sustainable development of Micro, Small, and Medium Enterprises (MSMEs) in Africa. It provides insights for policymakers and practitioners seeking to enhance the financial capabilities of MSMEs to promote sustainable economic growth in Africa. The paper bridges the research gap by examining the effect of financial knowledge, financial skills, and financial attitude on the sustainable development of MSMEs in Africa. It aims to provide policymakers, practitioners, and researchers with a deeper understanding of how to design and implement effective financial literacy programs for MSMEs in Africa.

The study employed a quantitative research approach, utilizing a correlation matrix and regression analysis. My opinions on the results are as follows:

- 1) Figure 1 does not clearly indicate the sources from which the factors determining the sustainable development of MSMEs derive.
- 2) The study's findings indicate that a higher level of financial knowledge, practical financial skills, and hands-on experience positively influence the sustainable development of MSMEs, and these findings are already well-established in the existing literature. To make the paper more interesting, it would be valuable to provide a more in-depth interpretation of the results from the correlation matrix (Table 3). The table reveals that financial knowledge is the most significant factor for MSMEs' sustainable development in Africa. However, it would be beneficial to provide further explanation as to why financial skills and financial attitudes, despite having significant correlations with financial knowledge, appear to have only a minor impact on sustainable development."

For practical Implications of the Paper, my opinion is

- 1) Tailored financial literacy programs for African MSMEs can enhance their financial knowledge, skills, and attitudes, fostering sustainable development.
- 2) Workshops and training sessions addressing the financial challenges of MSMEs can be highly effective.
- 3) Establishing partnerships between local government bodies, financial institutions, and business associations can

facilitate MSMEs' access to financial resources and expertise.

- 4) Developing user-friendly online resources and mobile applications can provide easy access to financial tools and information for MSME owners.
- 5) Improving financial skills through training and mentorship can help MSMEs make informed financial decisions and develop sound strategies.
- 6) Providing access to financial advisors or consultants can assist MSMEs in understanding financial risks and exploring funding options.
- 7) Creating networking opportunities for MSMEs to share experiences and best practices can foster a positive financial attitude.

These practical implications can enhance the financial capabilities of MSMEs in Africa, leading to improved performance, competitiveness, and long-term sustainability.

It is good for the paper to highlight the need for further research to explore the specific mechanisms through which financial literacy impacts sustainable development outcomes, such as job creation, poverty reduction, and economic growth.