

# Review of: "Factors Affecting the Social Outreach of Microfinance Institutions: Evidence from Ethiopian Microfinance Institutions"

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Potential competing interests: No potential competing interests to declare.

The study takes a holistic approach by considering both the breadth and depth of outreach, providing a nuanced understanding of social impact. The use of longitudinal data, spanning 2007-2020, allows for a comprehensive analysis of trends and changes over time. Moreover, the application of random effect panel data regression enhances the robustness of the analysis, considering both fixed and random effects.

However, the reliance on secondary data from the Association of Ethiopian Microfinance Institutions may raise concerns about the accuracy and reliability of the information. Issues like potential biases or data limitations should be acknowledged. Also, the study uses a sample of 14 microfinance institutions, which may limit the generalizability of findings. A larger sample size would enhance the study's external validity.

While explanatory research is suitable for identifying relationships, it may not provide a causal understanding of why certain factors affect social outreach. Given that the data is sourced from the annual bulletin of the Association, there may be a potential for publication bias, as positive results are more likely to be published.

Recommendations:

Introduction: Add a sentence explaining the structure of the paper.

Discussion: The results section is too extensive; the reader would benefit from a separation between the results presentation and results discussion by comparing the main results with the literature. I suggest a table with a synthesis of the results for each hypothesis

Causality Analysis: Explore causal relationships between the identified variables and social outreach to better understand the dynamics influencing microfinance performance.

Policy Implications: The study could provide insights into policy recommendations for improving the social outreach of microfinance institutions in Ethiopia, contributing to the socio-economic development of the country.

Further research: Using primary data collection methods could enhance the credibility of the study's findings.

