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Unveiling the Role of Sustainable Finance on SMEs' sustainability and Inclusive growth; A perspective of Emerging economies (South Africa and Kenya)

Abstract:

Small & and medium-sized enterprises contribute substantially to realizing national economic stability and progress of developing countries. Steady access to green entrepreneurial finance instruments is crucial for the SME's performance and growth. Understanding the drivers of economic growth is inevitable for implementing suitable economic strategies. This study, therefore, empirically evaluates the role of sustainable finance on the sustainability of SMEs across 2 countries over the period 2015–2023. The selected countries only comprise developing nations in Africa. We developed a multi-regression model to estimate the relative cross-country panel data of 150 companies. The results confirm a positive long-run impact of sustainable finance in fostering sustainability and growth of SMEs in low-income countries.