Journal of Economics, Finance and Management Studies

ISSN (print): 2644-0490, ISSN (online): 2644-0504

Volume 08 Issue 11 November 2025

Article DOI: 10.47191/jefms/v8-i11-22, Impact Factor: 8.317

Page No: 7327-7342

The Economic and Social Impacts of the Microfinance Experience in Sudan

Mohammed zain Ahmed[1], Mohammed Norain[2]

[1,2] Associate Professor of Economics – Faculty of Economics – Alzaeem Alazhari University – Sudan.

ABSTRACT: The study dealt with the economic and social effects of the microfinance experience in Sudan. The problem of the study was the weakness of the culture of microfinance in Sudan, which led to a lack of expansion in funding sources and precautions against payment guarantees, which constituted an obstacle for banks, in addition to the lack of financing volume, which deprived many of the poor from obtaining sufficient financing. The importance of the study stemmed from the urgent need for microfinance in order to stimulate production and generate income to meet the growing needs of living. The study aimed to identify the experience of microfinance in Sudan, to show the economic and social effects, and to reach methods that reduce the failures of the experiment. The study followed the descriptive analytical approach, the inductive approach, and the statistical approach. The study came out with a number of results, the most important of which are: The number of beneficiaries is constantly increasing, and the volumes and percentages of financing increase year after year depending on the number of beneficiaries. This indicates that microfinance led to employment and the provision of self-employment opportunities and contributed to the provision of many services such as housing (popular and economical housing), transportation (financing of rickshaws, tuk-tuk, taxis and glory) and education (financing tuition fees). Many financiers acquired the banking culture, and this in itself is a quantum leap to increase the awareness of the weak segments of some economic concepts such as finance, savings and investment. The statistics and data contained in this study confirm that the economically weak segments do not need large amounts of money to finance their projects. The study made a number of recommendations, the most important of which are: the need for geographical expansion and spread of microfinance institutions to reach the largest number of the poor, especially in the states and their remote areas. The trend is to focus on crowdfunding by expanding small productive projects.

KEYWORDS: Microfinance, Small enterprises, Microfinance Institutions, Poverty alleviation, Productive families.

1 . INTRODUCTION

Microfinance is an effective tool for poverty reduction, especially with the increasing number of poor people who lack the collateral to access traditional bank financing, which often has high interest rates. There are many international experiences in the field of microfinance for the poor through their ownership of small projects. Examples of these experiences include: the experience of Japan, Canada, Singapore, Italy, South Korea, Malaysia, Bangladesh, and others, and they can be benefited from. Sudan has benefited from them, especially the experience of the Grameen Bank in Bangladesh.

This study attempts to shed light on the microfinance experience in Sudan by identifying both the economic and social impacts through tracing that experience, presenting and analyzing the size and proportions of banking and non-banking microfinance, and monitoring the number of poor people financed and owning the means and tools to produce and operate small projects that would alleviate their poverty and deprivation.

The study problem: The study problem lies in the fact that the microfinance experience in Sudan is relatively new and is faced with many obstacles and problems, especially the lack of financial savings, the increase in the number of poor people, the shortcomings in the philosophy and application of the microfinance experience, and the difficulty in paying the dues within the specified repayment period.

Importance of the study: The importance of the study stems from the fact that it represents the most important type of studies that investigate how to finance the economically weak segments for employment and earning income that reduces poverty rates in Sudan. The results and recommendations of this study also benefit researchers, academics and decision makers.

The Economic and Social Impacts of the Microfinance Experience in Sudan

Study objectives:

- To explore the microfinance experience in Sudan.
- To identify the problems and obstacles facing the microfinance experience in Sudan.
- To identify the volumes and sources of microfinance.
- To highlight the economic and social impacts of microfinance in Sudan.
- To seek ways and means to overcome the obstacles facing the experience.

Study Hypotheses:

- There is a statistically significant direct relationship between small business financing and improving the standard of living of the targeted poor.
- There is a statistically significant direct relationship between small business financing and increasing the income level of business owners.
- There is no statistically significant relationship between small business financing and increasing small business profits.

Study methodology: The study follows the descriptive, analytical, inductive and statistical methods.

Study methodology: The study follows the descriptive, analytical, inductive and statistical methods.

2 . PREVIOUS STUDIES

2.1. Hala H. ElHadidi , (June 2020): Microfinance became a critical aspect in the creditmarkets as an effective tool for poverty reduction and socioeconomic-development. Yet, the impact still questioned and varies from one country to another and from urban to rural areas. The aim of this paper is to examine the role of Egyptian microfinance on household income. A cross-sectional survey interviewed 780 from old and new clients in Greater Cairo and rural areas in Egypt. The stratified random method was used to collect the data from urban and rural districts. The finding of multinomial logistic reveals that Microfinance has positive impact on household income of women borrowers who spent three years in the scheme as compared to new borrowers who have not received treatment. Keywords: Egyptian, Microfinance, Poverty Reduction, income.

2.2.Debidutta pattnaik. M, Kabir Hassan(2024): Microfinance has gained significant attention as a social innovation, offering flexible and low-cost financial services to households who are otherwise excluded from formal financial services. Over the years, numerous research works have expanded the knowledge base of microfinance. Applying bibliometrics, we summarise findings from 1599 articles published between 1987 and 2022. Our performance analysis reveals insights into the research trend, including its geographical distribution, the theories under examination, and the most influential publications. More importantly, the knowledge foundation and thematic analysis categorize microfinance research into three broad themes, viz. *impact of microfinance*, *management of microfinance* and *performance and efficiency of microfinance*. Furthermore, we trace the evolution of various research topics and forecast future trends using periodical average publication years over time. This study, therefore, serves as a valuable reference in microfinance research both for new researchers and seasoned academics, as well as policymakers, providing insights into research trends, seminal works, and future directions.

2.3.Hellyon N.R.chalid , (2022): Microfinance institutions are challenged by changes in competition, which impact them in various ways. Competition among microfinance institutions is unique because service to the poor, rather than profit alone, is their primary goal. Scientific research on microfinance institutions has increased dramatically over the last two decades. However, previous research lacked a systematic approach in reviewing the literature on the impact of competition in microfinance institutions. This study bridges this gap by reviewing 67 journal articles regarding competition among microfinance institutions. It outlines existing research topics related to the impact of competition on microfinance institutions and offers recommendations for future research. We referred to the RepOrting Standards for Systematic Evidence Syntheses review protocol to conduct a systematic literature review. We also conducted a bibliometric analysis for thematic observations. The results revealed the following four clusters on the impact of competition: social impact, performance, market structure, and relationships with other financial institutions. In conclusion, competition will positively impact microfinance institutions if they accept its inevitability and strive to adapt. Moreover, this study suggests a direction for subsequent research on policies.

2.4. Kashif, B. Syed Noorul Shajar (2025) : The tremendous increase in publications in Microfinance since 2000 has highlighted need for and importance of innovative techniques to present big data in this field in a most informative, scientific, and summarized manner. The study highlights the trends and patterns of Microfinance literature by revealing what has been done and what could be done in future. The study comprises of 1429 microfinance publications extracted from the Scopus database. The authors adopt bibliometric analysis through open software application R and network analysis techniques using Gephi AND VOS viewer software. The study adds a valuable contribution to the field of Microfinance by distinctively summarizing the important literature. It identifies global academic research trends and provides insights about trending topics, highly cited literature, authors, countries, collaboration network, word cloud, citation analysis, etc. Finally based on extensive literature survey through bibliometric analysis. The study highlights about the scope of future research in Microfinance.

2.5. Phan Thi Thanh Huong (2021) : This thesis investigates several topics in microfinance in South and East Asia. The appearance of microfinance has been known as a solution to alleviate poverty in rural area. Millions of poor families in developing countries have accessed to formal financial services through microfinance programs. However, many households still face major constraints in their credit access due to many reasons, such as short of collaterals or unable to access formal finance specifically in the South and East Asia where the region remains home to almost half of the world's poorest individuals.

3 . LITERATURE REVIW

The concept and importance of microfinance: The concept of microfinance is that it is a type of low-volume and low-quantity financing, i.e. it provides small loans to the poor with the aim of helping them start productive activities or develop their existing small projects. Therefore, it is a package of financial services that enable low-income and working people to earn an income that improves their living conditions. It is also known as a financial or in-kind facility provided to the poor and economically active (Hamid, Saleh Jibril 2010) , Social Innovation and Microfinancing Jim Phills (2009) defines social innovation as 'any novel and useful solution to a social need or problem, that is better than existing approaches (i.e., more effective, efficient, sustainable, or just) and for which the value created (benefits) accrues primarily to society as a whole rather than private individuals'. In other words, all 'innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly diffused through organizations **(**Khandker, R.,1998) governmental and popular institutions have begun to show interest in supporting and encouraging small businesses and projects by establishing units for productive families. There has been a popular and official awareness at the national level and a global interest in the necessity of introducing fundamental changes to economic and social development plans, setting policies and innovating methods to develop these projects and thus raise the standard of living of these vulnerable groups.

The idea of microfinance: The idea of microfinance came as an initiative of the American International Development Corporation, where the World Microfinance Conference was held in Washington in 1996, with the attendance of about 17 countries interested in this field. The main goal of this conference was to alleviate poverty by adopting methods to integrate the poor into economic activity. This conference resulted in four methods for managing and practicing microfinance, which are:-

The first method: Microfinance is provided through small units that are independent with their own policies, employees, and information system, but are administratively, financially, and technically affiliated with a specific bank.

The second method: Microfinance is provided to small producers through organizations that act as financial intermediaries and have financial institutions affiliated with them.

The third method: Financing is done directly through small, semi-independent financial units through a specialized window in a bank branch staffed with financing employees.

The fourth method: Microfinance is carried out through an integrated financing system in a banking institution and is managed by employees specialised in microfinance operations.

By Looking at these methods, we find that Sudan has implemented the first method due to its advantages, ease, and centrality. By following the microfinance experience in Sudan, we find that it is expanding year after year as difficulties are overcome and problems facing it are resolved, especially the problem of stumbling and weak guarantees (Alteb, Abdallmuneem Mohmed , 2011) ،The Grameen Bank experiment in Bangladesh, founded by Muhammad Yunus, is one of the pioneering experiments in the field of microfinance to combat poverty, based on the premise that "poverty is a problem that can be solved, and the person who has nothing has priority in obtaining a loan." Based on this premise, Muhammad Yunus established Grameen Bank in 1983, with the aim of economically empowering the poor and helping them improve their living conditions by providing small loans to the needy without the need for collateral. Based on this, loans worth approximately 310.20 billion taka were granted, and the number of beneficiaries reached more than 8 million poor people in Bangladesh, and poverty rates began to decrease with 5% of the poor moving out annually (Boubrima, Razika Arab and Aisha, 2013),Microfinance institutions (MFIs) in sub-Saharan Africa include a broad range of diverse and geographically dispersed institutions that offer financial services to low-income clients: non-governmental organizations (NGOs), non-bank financial institutions, cooperatives, rural banks, savings and postal financial institutions, and an increasing number of commercial banks (Patricia Mwangi, and Matthew Brown, 2005) ,

Microfinance experience in Sudan: The idea and philosophy of microfinance emerged in Sudan since the beginning of the nineties, when the Central Bank of Sudan adopted the method of microfinance for the economically weak segments with limited income to finance small and medium projects, and it was placed in the form of different names such as productive families, small producers, professionals and craftsmen (Ibrahim, Badr El-Din Abdel Rahim, 2012) 5.

Objectives, characteristics and advantages of microfinance in Sudan:

First: Microfinance objectives :

1. Target more poor people and create more job opportunities to eradicate poverty and hunger.
2. Reduce the risk of over-indebtedness.
3. Establish permanent local financial institutions.
4. Providing the rural poor with the money, financing and financial services they need to increase their earnings and build a more prosperous future.

Second: Advantages of microfinance:

1. It contributes to providing capital to small producers.
2. It provides a variety of financial services to the poor and low-income individuals excluded from formal financial systems.
3. It empowers the poor to increase their household income, achieve economic security, and reduce their financial vulnerability through small projects.

Microfinance institutions display:

These entities can be divided into banking and non-banking institutions, as the number of banking institutions that provide microfinance reached approximately 22 banks, led by the Social Development Savings Bank, the Family Bank, and the Creativity Bank for Microfinance. As for the non-banking institutions, their number reached approximately 13 institutions, which are: National Microfinance Corporation Khartoum Branch, Social Development Corporation Khartoum Branch, Social Development Corporation Kassala Branch, Khartoum Agricultural Microfinance Corporation, Sudanese Microfinance Company, Al-Manal Microfinance Company, Awan Microfinance and Development Company Limited,

Al Jazeera Microfinance Foundation, Baraa Microfinance Foundation in South Kordofan State, Youth Microfinance Foundation in Khartoum State, Al Maasheen Microfinance Foundation, Small Craft Business Development Association in Red Sea State, Al Amal Microfinance Foundation.

There are praises for the microfinance experience applied in Sudan at the local and international levels. At the local level, many conferences, workshops, seminars and official meetings were held, most of which presented studies and research that praised the success of the microfinance experience despite the obstacles and challenges that the experience faced.

The Consultative Group to Assist the Poor (CGAP) also praised, in one of its memoranda No. (84), that microfinance in Sudan is growing at an accelerated pace to help the poor (Ibrahim, Badr El-Din Abdel Rahim, 2015).

Target groups in microfinance: All economically active segments of society capable of working and producing income, including: professionals, craftsmen, small producers, fishermen, shepherds, farmers, productive families and small business owners, students and university graduates, pensioners, and women (Central bank of Sudan , Publications , 2012).

Microfinance size: According to statistics and data from the Microfinance Unit of the Bank of Sudan, the number of people who were granted smaller amounts of financing was no less than 14 million individuals over five years from 2011 to 2015 (Cental Bank of Sudan , Microfinance Unit. www.mfu.gov.sd),This is a valuable contribution from microfinance institutions despite the obstacles and challenges they face. The amount of microfinance was about 10 thousand Sudanese pounds, and when inflation rates and the exchange rate rose, the ceiling for microfinance rose to 50 thousand(Central Bank of Sudan , Circular No. (2/2025), 2025).

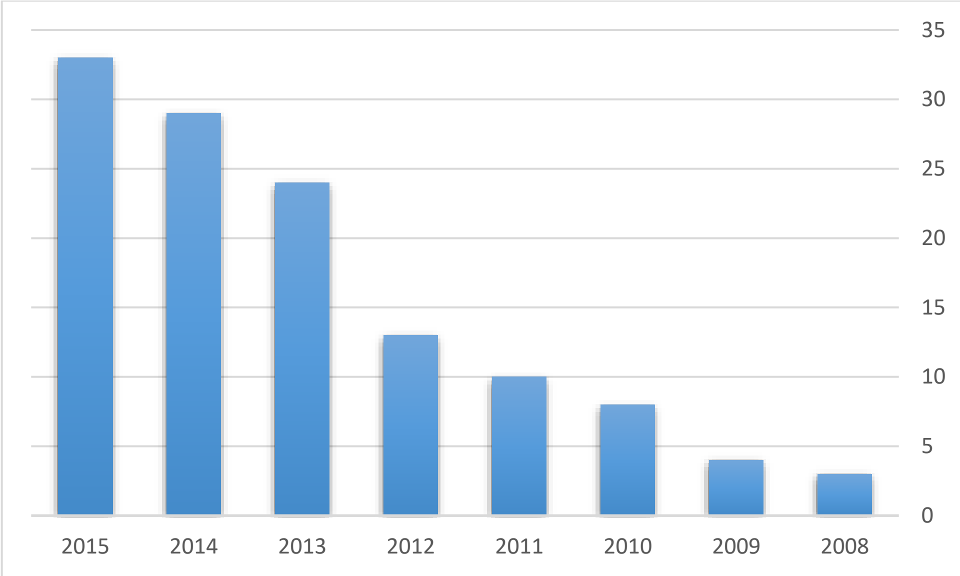
However, this amount is not sufficient due to the rise in the prices of production inputs due to the rise in the exchange rate, which in turn led to a rise in inflation rates. It is known that high inflation rates lead to an increase in the rate of borrowing on financing (interest rate). This may lead to a reduction in demand for microfinance funds , Despite this, the number of microfinance institutions has continued to increase year after year, as shown in the following table:

Table (1) : Number of federal and state microfinance:

years/ Side	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Fedral	2	**2**	**3**	**3**	**4**	**5**	**6**	**6**	**7**	**7**
states	1	**2**	**4**	**6**	**8**	**18**	**21**	**25**	**26**	**26**
The Total	3	**4**	**7**	**9**	**12**	**23**	**27**	**31**	**33**	**33**

Source : Central Bank of Sudan , Microfinance Unit 2011.

Graphical Figure No (1) Number of Microfinance Foundations Fedral and States in Sudan



Source : From data in Table (1) .

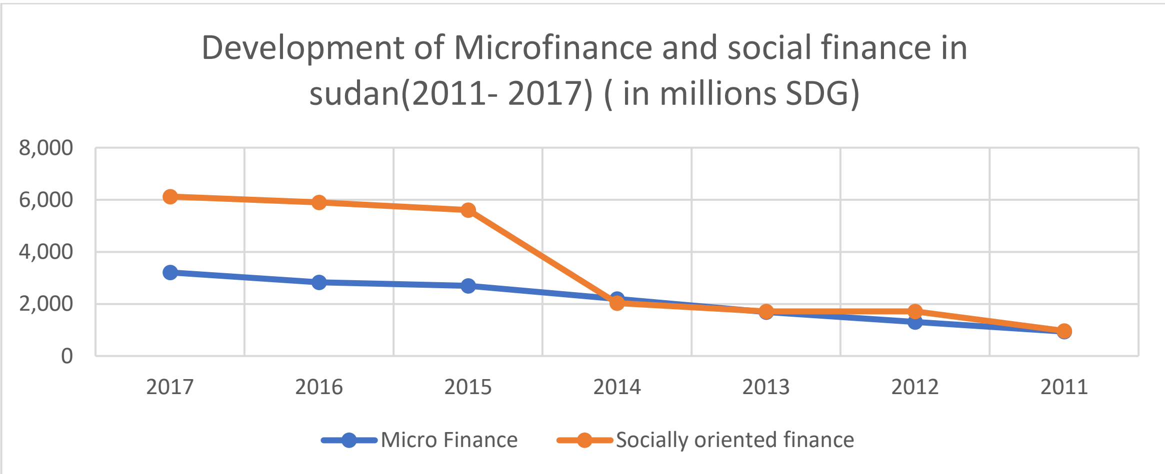
It is noted from the table and the graph that there is a clear increase in the number of microfinance institutions at the federal and state levels. While microfinance institutions started with about 3 institutions in 2008 AD, they increased to 4 in 2009 AD. Then it continued to increase until it reached 33 institutions in 2015 AD. Due to the increase in the number of microfinance institutions, the proportions and volume of microfinance increased accordingly, as shown in the following table:

Table No (2) : the valume of microfinance and social dimension from the bank portfio (2011 – 2017 AD) (in million Sudanese pounds)

Years/ side	2011	2012	2013	2014	2015	2016	2017
Micro Finance	938	1,302	1,692	2,187	2,692	2,830	3,210
Socially oriented finance	964	1,711	1,712	2,037	5,601	5,900	6,123
The Total	1,902	3,013	3,404	4,224	8,293	8,730	9,333

Source : Bank of Sudan , Microfinance Unit.

Graphical Figure No (2)



Source : From data in Table (2)

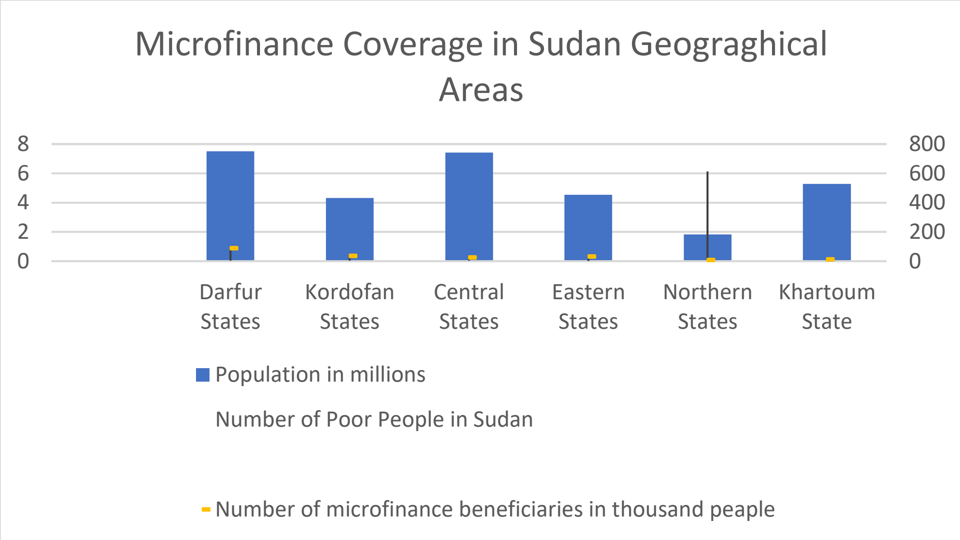
The Economic and Social Impacts of the Microfinance Experience in Sudan

Table No (3) : Microfinance Coverage in Sudan by geographical area.

Geographic area	Population in millions	Number of Poor Peaple in Sudan	Number of microfinance beneficiaries in thousand peaple
Darfur States	7.514	4.711	88.886
Kordofan States	4.327	2.540	37.352
Central States	7.422	3.369	26.527
Eastern States	4.533	2.099	31.328
Northern States	1.819	613	7.759
Khartoum State	5.274	1.371	12.813

Source: PACT Foundation, MICROFINANCE Map of Sudan , 2012**.**

Graphical Figure No (3



Source : From data in Table (3)

From the table and figure above, we find that the number of microfinance beneficiaries per thousand people varies from one geographical area to another, and this is attributed to the variation in living standards and the surrounding environment.

Table No (4) : performance of Sudanese banks in microfinance

The bank	Potiflio Size	Planned amounts	Port	Port ratio of the scheme
Savings and Social Development	252.005	252.005	230.175	%91.30
Faisal Al-Islami	601.215	72.146	278.207	%385.60
Expor Development	2.766.373	331.965	522.240	%157.30
National Workers	470.175	56.421	69.931	%123.90
Agricultual	300.500	36.060	39.081	%108.40
Algezera	1.681.597	201.792	213.959	%106.00
Sudanese Islamic	90.511	10.861	5.749	%52.90
Real estate	578.777	69.453	36.693	%52.80
Commercial farmer	244.181	29.302	14.725	%50.30
livestock	974.354	116.923	55.949	47.90
Sudanese blessing	394.083	47.290	20.960	%44.30
Islamic Solidarity	537.662	64.519	25.549	%39.60
The Islamic North	1.658.569	199.028	75.094	%37.70
Oumdurman National	586.429	70.372	17.761	%25.20
Saudi Sudanese	5.098.462	611.815	126.405	%2.50

Industrial development	509.771	61.173	12.130	%19.80
Khartoum	559.699	67.164	11.938	%17.80
Cooperative development	4.310.854	517.302	67.452	%13.00
French Sudanese	872.293	104.675	10.617	%10.10
Nilein	809.293	97.115	9.897	%10.20
Savings and Social Development	895.538	107.465	8.323	%7.70

Source: PACT Foundation, MICROFINANCE Map of Sudan , 2012.

The previous table confirms that there is a variation in the size and percentages of microfinance implemented through the banks mentioned in the table, and a close examination of the data reveals that the highest percentage implemented of the planned amount, about 385.60%, was granted by the Savings and Social Development Bank, which indicates that it is the leading bank and the first to grant microfinance. However, there are estimated percentages from all the mentioned banks.

Table No(5): performance of Non – bank microfinance institutions (per thousand people)

Foundation	Number of beneficiaries	Number of Savers	Number of borrowers	Potiflio Size
Algazeera Foundation	2015	1872	2015	7.000.000.00
Specific methal company	237	75	237	2.000.000.00
Northern Microfinance Foundation	3573	zero	900	6.665.000.00
Port Sudan Small Business Organization	43835	zero	5226	4.224.971.00
Social Development Foundation in Khartoum State	75166	23999	26512	50.647.23.00
Sudanese Rural Development Company	650	zero	500	3.000.000.00
Youth Microfinance Foundation	1519	1519	1519	3.365.481.00
Social Development Foundation in Kassala State	8348	6256	6256	10.624.003.00

Source: PACT Foindation,Microfinance Map of Sudan,2012.

From the data in the table above, it is clear that the number of beneficiaries varies from one financing institution to another. The Social Development Foundation in Khartoum State is considered to have provided microfinance with the largest number of beneficiaries, amounting to 75,166.

Table No(6) Performace of some civil society organizations in microfinance

side	Number of beneficiaries	Number of Savers
General Union of Sudanese Women	6971	890
International Agency for Research and Development	2000	700
Sudanese Youth unit	1300	zero
Practical Action	250	zero
south Darfur Farmers union	30000	zero
Initiative and Development Foundation	565	zero

Source: PACT Foindation,Microfinance Map of Sudan,2012

Table No (7): the Number of beneficiaries of bank microfinance (in thousand people)

Bank	Number of beneficiaries	Bank	Number of beneficiaries
Family	104035	Sudanese blessing	175
Savings and Social Development	110048	Islamic Solidarity	5078
Fisal Al-slami	150	The Islamic North	1232
Exports Development	4212	Oumdurman National	24679

National Workers	2309	Saudi Sudanese	22
Agricultural	6985	Industrial development	222827
Algazeera	2470	Khartoum	19163
Sudanese Islamic	500	Cooperative development	1224
Real estate	225	French Sudanese	40
Commercial farmer	23969	Nilein	892
Livestok	3330		

Source : Central Bank of Sudan , Microfinance union.

From Table No. (7) the Industrial Development Bank has granted the largest number of beneficiaries, amounting to 222,827 individuals, followed by the Savings Bank, about 110,048, followed by the Family, 104,035. This is due to the interest of these two banks in the issue of microfinance as a social responsibility. As for the banks that provide the least microfinance, they are the Saudi Bank, which granted about 22 individuals, and the French Bank, about 40 individuals, Microfinance to transform the Central Bank of Sudan's strategy into a comprehensive national microfinance strategy that includes all partners, affirming the nationalism and comprehensiveness of the experience. In addition to turning to the outside world by spreading the principles of the experience on a regional and global scale through contributions to publications, participation in forums, field visits, and receiving foreign delegations from Islamic and non-Islamic countries to learn about the characteristics and features of the Sudanese experience in Islamic microfinance. .

Microfinance ceiling:

1. The microfinance ceiling for the agricultural sector, both plant and animal, is EGP 8,000,000 (only eight million pounds).
2. The microfinance ceiling for the industrial sector is EGP 6,000,000 (only six million pounds).
3. The microfinance ceiling for both the craft and service sectors is EGP 4,000,000 (only four million pounds).
4. The microfinance ceiling for other sectors (commercial, productive families, etc.) is EGP 2,000,000 (only two million pounds).
5. The ceiling for microfinance for solar energy systems is 10,000,000 pounds (only ten million pounds) .

4. METHODOLOGY - DATASET,ANDANALYSIS

In this part abrief description of the Methodology used in the research study is made and the dataset and analysisphases areintroduced in compliance with the study objective .

4. 1 . METHDOLOGY

Population and sample of Study:

The study population consists of small business owners who have obtained microfinance and are listed in the records of banks, financial institutions, and microfinance institutions, the number of which is (7654). The sample method was used in accordance with the nature and type of the study, and it was chosen according to Richard Geiger's equation:

$$n = \frac{\left(\frac{z}{d}\right)^2 \times (0.50)^2}{1 + \frac{1}{N}\left[\left(\frac{z}{d}\right)^2 \times (0.50)^2 - 1\right]} \quad =466$$

Where :

N is Represents the study community.

Z is Represents The standard score corresponding to the significance level of 0.95 is equal to 1.96

D is Represents The error rate is 0.05.

Therefore, the study sample size is 466 individuals Internal consistency validity. The internal consistency validity of the questionnaire was verified by calculating the Spearman's rank correlation coefficient for each item of the questionnaire and the overall average of the axis to which it belongs, using the statistical program (spss). The following tables illustrate this.

Statistical methods and processing used in the study:

By unpacking and analyzing the questionnaire using the statistical program (SPSS), and using Spearman's correlation coefficient to find the internal consistency validity of the questionnaire, and Cronbach's alpha correlation coefficient to find the validity and reliability coefficient.

Obtaining frequencies, arithmetic means, standard deviations, percentages, cumulative ratios, and graphic forms. The Likert scale was used to determine the direction of the respondents' opinions, and the chi-square test was used to test the hypotheses.

4. 2 . Preentation of results , analysis and discussion

First: Analysis of personal data:

1- Gender: The distribution of the respondents according to gender was as shown in the table below.

Table No. (11): Distribution of respondents according to gender

Cumulative ratio	Percentage	Repetition	Statement
32.4	32%	124	Female
%100	68%	259	Male
	%100	**383**	**Total**

Source: Field study results.

2- Age group: When the respondents were asked about their age, they were given five possible answers to choose from, and their choices of answers were as shown in the table below.

Table No. (12): Distribution of respondents according to age groups:

Cumulative ratio	Percentage	Repetition	Age group
1.0	%1	4	More than 60 years
7.0	%6	23	51 – 60 years
32.6	26%	98	41 – 50 years
80.9	48%	185	30 – 40 years
96.6	16%	60	Less than 30 years
%100	3%	13	didn't answer
	%100	**383**	**Total**

Source: Field study results

3- Social status: The respondents were asked about their social status. They were given five possible answers to choose from, and their choices were as shown in the table below:

Table No. (13): Distribution of respondents according to social status

Cumulative ratio	Percentage	Repetition	marital status
2.6	3%	10	A widower
6.8	4%	16	Divorce
33.4	27%	102	bachelor
98.4	65%	249	married
%100	1%	6	didn't answer
	%100	**383**	**Total**

Source: Field study results.

4- Number of family members: To determine the number of family members, they gave three possible answers to choose from. Their choices for the answers were as shown below:

Table No. (14): Distribution of respondents according to the number of family members

Cumulative ratio	Percentage	Repetition	Numers of person
14.6	15%	56	More than 7 persons
60.8	46%	177	3 – 6 persons
95.3	34%	132	Less than 3 persons
%100	5%	18	didn't answer
	%100	**383**	**Total**

Source: Field study results

5- Monthly income before financing:

Table No. (15): Distribution of respondents according to average monthly income before financing

Cumulative ratio	Percentage	Repetition	Monthly income level
70.8	71%	271	More than 850 DDG
97.7	27%	103	Less than 850 DDG
%100	2%	9	didn't answer
	%100	**383**	**Total**

Source: Field study results

6- Educational level: To know the distribution of the respondents according to their educational levels, they gave expected answers about the educational levels, and their choices for the options in the table below came in numbers.

Table No. (16): Distribution of respondents according to educational level

Cumulative ratio	Percentage	Repetition	Statement
7.3	7%	28	Above university
50.7	43%	166	university
68.4	18%	68	Secondry school
81.5	13%	50	middle school
94.5	13%	50	Primary school
99.7	6%	20	Uneducated
%100	**%100**	**383**	**Total**

Source: Field study results

<u>Second: Analysis and interpretation of objective data:</u>

-The time period to obtain financing after providing the requirements:

Table No. (17): Distribution of respondents Financing grant period

Cumulative ratio	Percentage	Repetition	Financing grant period
6.8	7%	26	More than 90 daies
41.3	34%	132	31 – 90 daies
89.3	48%	184	15 – 30 daies
%100	11%	41	Less than 15 daies
	%100	**383**	**Total**

Source: Field study results

Table No. (18): Frequent distributions according to the project financing amount

Cumulative ratio	Percentage	Repetition	Financing amount
7.1	7%	27	More than 50 thousand SDG
26.5	19%	74	31 -50 thousand SDG
58.3	32%	121	16- 30 thousand SDG
92.1	34%	129	5-15 thousand SDG
100.0	8%	30	Less than 5 thousand SDG
	%100	**383**	**Total**

Source: Field study results

7- Source of funding :

Table No. (20): Distribution of projects according to the source of funding

Cumulative ratio	Percentage	Repetition	Source of funding
33.2	20%	77	مؤسسة تمويل أصغر
100.0	67%	255	Bank
%100	13%	50	Both togther
	%100	**383**	**Total**

Source: Field study results

8- Purpose of financing:

The respondents were asked about the purpose of the financing, whether it was for the purpose of expanding the project or establishing a new project. Their answers were as follows in the table below:

Table No. (21): Frequency distribution of respondents according to the purpose of funding

Cumulative ratio	Percentage	Repetition	Purpose of financing
64.4	%64	246	Expanding an existing project
%100	%36	136	Create a new project
	%100	**383**	**Total**

Source: Field study results

<u>Third: The impact of financing on poverty levels:</u>

1- How much do you estimate your average monthly income after financing the project? To know the impact of financing on the average income of project owners after financing, the respondents were asked and their answers were as shown in the table below:

Table No. (22): Average monthly income of beneficiaries after obtaining financing

Cumulative ratio	Percentage	Repetition	Average income after financing
24.7	%24.5	94	More than 3000 SDG
27.0	%26.9	103	2000 – 3000 SDG
33.3	%33.2	127	2000 – 850 SDG
15.0	%14.9	57	Less than 850 SDG
%100	%0.5	2	didn't answer
	%100	383	**Total**

Source: Field study results

Table No. (23): The impact of financing on the food level

Cumulative ratio	Percentage	Repetition	Improved nutritional level
23.2	%23.2	89	I strongly agree
75.7	%52.5	201	I agree
81.2	%5.5	21	neutral
98.2	%17.0	65	I disagree
%100	%1.8	7	I strongly disagree
	%100	383	**Total**

Source: Field study results

3- The impact of financing on the level of clothing. To determine the impact of financing on the standard of living of small business owners in terms of clothing, they were questioned and their answers were as shown in the table below:

Table No (24): The impact of financing on the level of clothing

Cumulative ratio	Percentage	Repetition	Improved clothing level
13.9	%13.8	53	I strongly agree
52.0	%51.7	198	I agree
10.8	%10.7	41	neutral
19.4	%19.3	74	I disagree
3.9	%3.9	15	I strongly disagree
%100	%0.5	2	didn't answer
	%100	383	**Total**

Source: Field study results

4- The impact of financing on health. To determine the impact of financing on the standard of living of small business owners and their health, they were questioned, and their answers are as shown in the table below:

Table No. (25) The impact of financing on the level of health

Cumulative ratio	Percentage	Repetition	Improved health
22.2	%22.2	85	I strongly agree
66.8	%44.6	171	I agree
76.8	%9.9	38	neutral
96.1	%19.3	74	I disagree
%100	%3.9	15	I strongly disagree
	%100	**383**	**Total**

Source: Field study results

5- The impact of financing on the level of education. To determine the impact of financing on the standard of living of small business owners based on the level of education, they were questioned, and their answers were as shown in the table below:

Table No. (26) The impact of financing on the level of Education

Cumulative ratio	Percentage	Repetition	Improved education level
27.9	%27.9	107	I strongly agree
68.9	%41.0	157	I agree
76.8	%8.8	30	neutral
97.9	%21.1	81	I disagree
%100	%2.2	8	I strongly disagree
	%100	383	**Total**

Source: Field study results

6- Change in income after financing. To determine the impact of financing on the income level of small business owners, they were questioned, and their answers were as shown in the table below:

Table No. (27): Level of change in income after financing

Cumulative ratio	Percentage	Repetition		Change in income
29.7	%29.2	112		I strongly agree
51.7	%50.9	195		I agree
6.9	%6.8	26		neutral
11.4	%11.2	43		I disagree
0.3	%0.3	1		I strongly disagree
%100	%1.6	6		didn't answer
	%100	383		**Total**

Source: Field study results

Study hypothesis tests:

The first hypothesis: There is a statistically significant direct relationship between financing small projects and improving the standard of living of the targeted poor.

Null hypothesis: There is no statistically significant direct relationship between financing small projects and improving the standard of living of the targeted poor.

Alternative hypothesis: There is a statistically significant direct relationship between financing small projects and improving the standard of living of the targeted poor.

- **Using chi-square test:**

Table No. (28): Testing the first hypothesis using the Chi-square test

	First hypothesis
Chi-Square	2350.6
df	5
Asymp. Sig. Pvalue)(	.000

Source: Field study results

We note from the table above that the value (P value = 0.00) is less than the significance level (0.05), so we reject the null hypothesis (there is no direct, statistically significant relationship between financing small projects and improving the standard of living of the targeted poor). We accept the alternative hypothesis, which states (there is a direct, statistically significant relationship between financing small projects and improving the standard of living of the targeted poor).

The second hypothesis: There is a statistically significant direct relationship between financing small projects and increasing the income level of the owners of these projects.

Null hypothesis: There is no statistically significant direct relationship between financing small projects and increasing the income level of owners of these projects.

Alternative hypothesis: There is a statistically significant direct relationship between financing small projects and increasing the income level of the owners of these projects.

- **Using chi-square test:**

Table No. (29): Testing the second hypothesis using the chi-square test.

	Second hypothesis
Chi-Square	911.8
df	5
Asymp. Sig. Pvalue)(	.000

Source: Field study results

We note from the table above that the value (P value = 0.00) is less than the significance level (0.05), therefore we reject the null hypothesis (there is no direct statistically significant relationship between financing small projects and increasing the income level of owners of these projects). We accept the alternative hypothesis which states (there is a direct statistically significant relationship between financing small projects and increasing the income level of owners of these projects).

Hypothesis 3: There is no statistically significant relationship between financing small projects and increasing small project profits.

Null hypothesis: There is no statistically significant relationship between financing small projects and increasing small project profits.

Alternative hypothesis: There is a statistically significant relationship between small business financing and increased small business profits.

Using chi-square test:

Table No. (30): Testing the third hypothesis using the Chi-square test.

	The third hypothesis
Chi-Square	797.3
df	5
Asymp. Sig. Pvalue)(	.000

Source: Field study results

We note from the table above that the value (P value = 0.00) is less than the significance level (0.05), therefore we reject the null hypothesis and accept the alternative hypothesis which states (there is no significant relationship between financing small projects and increasing profits of small projects). We accept the alternative hypothesis which states (there is a significant relationship between financing small projects and increasing profits of small projects.

5. CONCLUSION: RESULTS AND RECOMMENDATIONS RESULTS:

-The study confirms that the microfinance experience in Sudan has led to improved living standards for a large number of the poor through increased income.

-It is noted that the number of microfinance beneficiaries has been steadily increasing since the start of the experiment. This has led to increased employment levels and the provision of job opportunities, which has contributed to reducing unemployment.

-The study confirms the geographical spread of microfinance institutions and small projects, which leads to stability and reduces migration from rural to urban areas.

-Microfinance has reduced the effects of lifting subsidies, given that lifting subsidies leads to an increase in the general price level (inflation), which in turn leads to income erosion.

-The microfinance experience in Sudan is considered the first comprehensive Islamic experience with a national dimension and one of the first African experiences in developing a comprehensive strategy for microfinance.

-The study confirms that there is an increase in the number of microfinance institutions. While it started with 7 institutions, it reached 333 financing institutions.

-The statistics and data included in this study confirm that economically weak segments do not need large sums of money to finance their projects, and this in itself has encouraged microfinance institutions to provide significant sums.

RECOMMENDATIONS

- The need to work on developing the microfinance experience in Sudan through greater geographical expansion of various microfinance institutions, along with increasing the number of beneficiaries, to reduce the increasing rates of poverty, unemployment, and migration.

-The necessity of involving the private sector in the experiment in order to increase the volume of funding and diversify its sources.

- Working on expanding crowdfunding to activate the team spirit at work

REFERENCES

1) Abdallmuneem Mohmed Alteb, " Evaluation of the Islamic Microfinance experience in Sudan case study of the banking sector and social institutions", Sudan Academy for Banking and Financial Science, August, 2011.
2) Badr El-Din Abdel Rahim Ibrahim, Microfinance Sector Policies, Legislation, and Strategies and the Future Vision, Microfinance Unit, Central Bank of Sudan.
3) Badr El-Din Abdel Rahim Ibrahim, Sudan's Experience in Islamic Banking for Micro and Small Enterprises, a paper presented to the Arab Banks Union Workshop "Small and Medium Enterprises: The Path to Economic Development and Social Justice," Khartoum, February 4-5, 2015.
4) Cental Bank of Sudan , Microfinance Unit. www.mfu.gov.sd .
5) Central Bank of Sudan, General Administration for Banking Regulation and Development, "Microfinance Ceiling", Circular No. (2/2025), Khartoum, February 23, 2025.
6) Debidutta pattnaik. M, Kabir Hassan(2024)" Microfinance : A bibiometric exploration of the knowledge landscape" Volume 10, Issue 10, 30 May 2024, e31216, https://doi.org/10.1016/j.heliyon.2024.e31216.
7) Hala H. El Hadidi , (June 2020), " The Impact of Microfinance on Poverty Reduction in Egypt: An Empirical Study " , Arab Journal of Administration, Vol. 40, No. 2,

8) Department of Business Administration , . The British University , Egypt .
9) Hellyon N.R.chalid , (2022), " Impact of competition on microfinance institutions : bibliometricanalysis and systematic literature review.
10) Kashif Beg a, B Padmapriya b, Syed Noorul Shajar c, Md Moneef Ahmad d, Abdul Ghani Faiyyaz e (2025) Mar 26;11(9):e43264 " The bibliometric analysis of previous twenty- five years literature: A microfinance review" , " PMC Retraction Policy Heliyon log PMCID: PMC10838773 PMID: 38317945.
11) Khandker, R. (1998). Fighting poverty with micro credit. Dhaka: The University Press Limited..
12) Microfinance Unit Reports – Central of Sudan , Publications (2007 – 2012) .
13) Overview of the Outreach and Financial Performance of Microfinance Institutions in Africa Anne-Lucie Lafourcade, Jennifer Isern, Patricia Mwangi, and Matthew Brown ∗ April 2005.
14) Phan Thi Thanh Huong (2021) "Performance of microfinance institutions and their accessibility in South and East Asia " , university of Montpellier , umr Moisa .
15) Razika Arab and Aisha Boubrima, "Islamic Microfinance as a Mechanism to Combat Poverty – The Experience of Grameen Bank – Bangladesh as a Model", Algerian Journal of Financial and Banking Studies, Volume 3, Issue 1, Pages 66-85, 12/31/2013.
16) Saleh Jibril Hamid, "Microfinance in Sudan – Concept – Models – Applications", Part One, 2010 AD.