Empirical Evaluation of the Possible Impacts of the Transformation of Microfinance Institutions in Africa

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This dissertation explores the impacts of Microfinance Institutions (MFIs) transformation from the Non-Governmental Organizations (NGOs) model to the profit-seeking model. The study found the transformation of MFIs in Africa detrimental to the financial inclusion agenda without necessarily enhancing their financial sustainability, financial efficiency and social efficiency. The MFI-level drivers of transformation are age and size. Legal tradition, institutional quality and stock market development are the critical country-level drivers of MFI transformation. There is a need to craft better financing models for MFIs to support their twin social outreach and financial sustainability objectives.