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Analysis of the relationship between the quality of accounting disclosure and financial inclusion in micro- enterprises

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Abstract

This research aims to analyze the relationship between the quality of accounting disclosure and the level of financial inclusion in micro-enterprises, through a field study conducted on a sample of these institutions. The study relied on a questionnaire designed around two main dimensions: the first concerns the level of accounting disclosure, and the second measures the level of financial inclusion. The data were analyzed using several statistical tools, most notably simple and multiple regression analyses. The results revealed a positive and statistically significant relationship between the quality of accounting disclosure and the level of financial inclusion.

Keywords: Accounting disclosure quality, financial inclusion, micro-enterprises, formal financing, financial reports

Introduction

Section One: Research Methodology

First: Research Problem

Despite the growing importance of micro-enterprises in supporting the local economy and enhancing opportunities for growth and employment, these enterprises often suffer from weaknesses in accounting disclosure systems, which limit their ability to access formal financing and financial services.

On the other hand, financial inclusion is one of the key pillars of sustainable development and requires accurate and transparent financial reports that enable financial institutions to assess risks and make sound financing decisions.

Accordingly, the research problem lies in analyzing the relationship between the quality of accounting disclosure and the level of financial inclusion in micro-enterprises, especially in light of the need to activate accounting tools to support these enterprises in formal financial markets.

Second: Research Objectives

1. To analyze the level of accounting disclosure quality in micro-enterprises.
2. To measure the impact of accounting disclosure quality on the integration of these enterprises into the formal financial system.
3. To provide practical recommendations for improving accounting disclosure as a means of supporting financial inclusion.

Third: Research Importance

1. **Scientific Importance:** This research contributes to filling the knowledge gap regarding the relationship between accounting disclosure quality and financial inclusion in micro-enterprises, particularly in developing economies.
2. **Practical Importance:** The research provides a practical framework for policymakers and financial institutions to establish suitable disclosure standards that facilitate the integration of micro-enterprises into the formal financial system.
3. **Social Importance:** Financially supporting micro-enterprises contributes to promoting

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economic development, reducing poverty, and achieving social stability.

Fourth: Research Hypotheses

- **H1:** There is a statistically significant relationship between the quality of accounting disclosure and the level of financial inclusion in micro-enterprises
- **H2:** Enhancing the quality of accounting disclosure improves the opportunities of micro-enterprises to obtain financing from formal financial institutions.

Fifth: Research Methodology

• Research Approach

The study adopts the descriptive-analytical and empirical (applied) approaches.

• Data Collection Tools

ESG Reports (Environmental, Social, and Governance reports).

Section Two: Previous Studies

Referring to previous studies forms a solid scientific and intellectual foundation that can be utilized in several ways, such as addressing aspects that were not covered in earlier studies, and serving as a basis for future research.

This section presents a set of studies that the researcher reviewed, which covered topics related to the current study — accounting disclosure and financial inclusion — arranged in chronological order.

Table (1): Summary of Previous Studies

1- Iraqi Study	
<i>Al-Attar et al., 2019</i>	
Title of the Study	The Impact of Accounting Information Quality and Financial Disclosure of Financial Statements on Enhancing the Informational Content of Financial Reports: An Applied Study on a Sample of Companies in the Iraq Stock Exchange
Type of Study	Published Study
Objectives of the Study	This study aims to highlight the role played by companies in enhancing the informational content of financial statements by examining the quality of accounting information and financial disclosure, and the extent to which they provide high-quality statements (characterized by the qualitative characteristics of accounting information) as well as the extent to which the accounting information system delivers financial statements that meet the needs of their users.
Methods Used	A questionnaire was used for data collection and analysis.
Main Finding	The importance of the accounting system in enhancing the informational content is reflected in achieving its primary objective of conveying essential information to all internal and external users, helping them build a solid foundation to make decisions based on that informational content.
2. Arab Study	
<i>Saliha, 2022</i>	
Title of the Study	Analysis of the Integrated Relationship between Transparency and Accounting Disclosure to Activate Corporate Governance Principles on the Quality of Financial Reports: A Field Study
Type of Study	Published research in the Journal of Economic and Administrative Research
Objectives of the Study	The study aims to examine the intertwined relationship between corporate governance rules and both accounting disclosure and transparency on the quality of financial reports
Methods Used	An analytical method was used.
Main Finding	The study aims to examine the strong positive relationship between accounting disclosure and information transparency in establishing corporate governance principles. The analytical approach was used.
3. Iraqi Study	
<i>Abdulqader et al., 2022</i>	
Title of the Study	The Reality of Financial Inclusion for Micro, Small, and Medium Enterprises in the Arab World amid the COVID-19 Pandemic
Type of Study	Published research
Objectives of the Study	This paper aims to highlight the various efforts made in the Arab world to enhance financial inclusion for micro, small, and medium enterprises amid the COVID-19 pandemic, targeting increased economic growth, achieving financial stability, and creating more job opportunities, by studying a sample of Arab countries. This topic is addressed using the descriptive-analytical approach through reviewing the relevant theoretical literature and presenting and analyzing various data related to the Arab countries under study.
Methods Used	A questionnaire was used and analyzed
Main Finding	Weak levels of financing and facilities provided to micro, small, and medium enterprises in the Arab world, in addition to the limited number of financial and banking institutions providing such financing.

Section Three: Accounting Disclosure

First: Concept of Accounting Disclosure

Perspectives differ regarding the concept and boundaries of disclosure of information that must be available in published financial statements. This divergence stems from the varying interests of the stakeholders benefiting from that information, making it difficult to agree on a general and

unified concept of accounting disclosure. Accordingly, some definitions of accounting disclosure can be highlighted:

Accounting disclosure is defined as the clarity and unambiguity in presenting accounting information when preparing accounts, financial statements, and accounting reports (Lotif Zyoud H, 2007, p.179) ^[7].

Alzoubi & Al-Sartawi defined accounting disclosure as: "The process of providing relevant financial and non-financial information to stakeholders in order to enhance transparency and reliability, enabling them to make economic decisions based on accurate and timely information." (Alzoubi & Al-Sartawi, 2022) ^[4]

According to the International Financial Reporting Standards (IFRS for SMEs, 2023), accounting disclosure refers to: "The organized disclosure of financial information through statements and accounting reports, in accordance with approved accounting standards, to ensure a fair and true presentation of the financial performance of the entity."

Second: Objectives of Accounting Disclosure

The main objectives of accounting disclosure are as follows (Al-Hajjawi, 2017) ^[18]:

1. Assist decision-makers in making highly reliable decisions based on accurate information, especially investors, decision-makers, and lenders.
2. Satisfy the needs of all users of financial reports by providing information that meets stakeholders' requirements to an acceptable extent.
3. Contribute to the activation of the stock market and assist investors in forecasting expected future profits, thereby stabilizing security prices and reducing volatility.

Third: Characteristics of Quality Accounting Disclosure

The characteristics of quality accounting disclosure aim primarily to benefit users, especially decision-makers. To achieve this benefit, accounting information should possess several qualitative characteristics that enable decision-makers to distinguish between high-utility information and lower-quality information (Matar & Al-Swaiti, 2012, p.330) ^[25]. Key characteristics include:

- **Relevance:** The ability of accounting information to influence economic decisions. This includes three dimensions: goal relevance, semantic relevance, and decision relevance (. Relevant information enables decision-makers to evaluate the results of alternative decisions, form expectations about past, present, or future events, and enhance predictive ability.
- **Reliability:** Refers to the degree to which reported information faithfully represents the events and processes it purports to depict. Reliable information should be complete, neutral, and free of error (Public Sector Accounting Standards Board, 2001, pp.7-8). Reliability is closely linked to accounting measurement theory, requiring measurements to be unbiased and verifiable (Al-Hajjawi & Al-Obaidi, 2017, pp.39-40; Al-Dmour, Abbod & Al-Qadi, 2018, p.11) ^[18, 2].
- **Comparability:** Enables users to compare financial statements with other entities over time and evaluate the same entity across multiple periods (Mersan & Claudia, 2016, p.188) ^[9]. Comparative information, supported by financial ratios, enhances predictive value and facilitates evaluation of economic performance and efficiency (Rathnayake, 2020, pp.78-83) ^[11]. Uniform accounting policies increase reliability and understanding (Al-Hajjawi & Al-Obaidi, 2017, p.44; Basool, 2018, pp.201-202) ^[18].
- **Verifiability:** Information should be based on objective measurement rules, allowing multiple users to arrive at the same conclusions when using the same methods

(Makhoulf, 2014, p.160) ^[17].

- **Timeliness:** Information must be current and available to decision-makers in time to influence their decisions. Timeliness involves the preparation period and delay period. Timely disclosure enhances investor confidence, while delays can reduce usefulness and fairness (Zandi & Abdullah, 2019, pp.128-131) ^[16].

Fourth: Importance of Quality Accounting Disclosure in Micro-Enterprises

The importance of quality accounting disclosure includes (UNCTAD, 2023, pp.3-4; Academy of Entrepreneurship Journal, 2021, p.2; Budianto, 2024, pp.15-16) ^[13]:

- **Supporting formalization:** Encourages micro-enterprises to move from the informal economy to the formal system, gaining access to financial and developmental services.
- **Enhancing access to formal finance:** Accurate and transparent financial reports help banks and financial institutions assess risk and facilitate loans and funding.
- **Increasing stakeholder trust:** Organized disclosure builds confidence in performance monitoring, improving relationships with investors and regulators.
- **Improving risk management efficiency:** Reliable and updated information supports better financial decision-making.
- **Enhancing operational efficiency and growth:** Applying accounting standards and financial technologies improves internal processes and reduces costs.

Section Four: Financial Inclusion

First: Definition of Financial Inclusion

The Consultative Group to Assist the Poor (CGAP) and the International Finance Corporation (IFC), under the Global Partnership for Financial Inclusion (GPFI), define financial inclusion as:

"Access of households and businesses to a suitable range of financial services at affordable costs, provided by responsible and sustainable financial institutions" (CGAP and IFC for the GPFI, 2013).

Financial inclusion is the organized expansion of access to high-quality financial services, including loans, deposits, payment systems, pension services, financial education programs, and consumer protection mechanisms, aimed at enabling individuals and enterprises to benefit effectively (Reyes, 2011; Mohieldin, 2011) ^[8, 12].

Second: Importance of Financial Inclusion

Financial inclusion is crucial for several economic and social reasons (Bernieh, Obeid & Atiya, 2019; Arab Monetary Fund, 2020) ^[26, 21]:

1. Supporting economic growth by increasing savings and credit flow to SMEs.
2. Reducing poverty by providing accessible financial services.
3. Promoting innovation in service delivery (e.g., mobile payments, digital transfers).
4. Creating new employment opportunities.
5. Contributing to achieving Sustainable Development Goals (SDGs).
6. Supporting international development programs (G20 initiatives).
7. Enhancing resilience to financial risks, particularly via digital financial inclusion.

Third: Objectives of Financial Inclusion (Mounira, 2023, p.77) ^[10]

1. Expand the financial system's capital base by promoting savings and formal borrowing.
2. Facilitate access to financial services to increase economic participation of low-income groups.
3. Promote social inclusion via secure deposits and efficient government transfers.
4. Reduce poverty.
5. Benefit both consumers and financial service providers.
6. Enable access to credit for business expansion and job creation.
7. Strengthen financial institutions' resilience and support SME development.
8. Increase participation in the formal financial system.
9. Improve financial literacy among vulnerable groups.
10. Encourage innovation in cost-effective financial products using modern technology.
11. Enhance competition in the financial sector for sustainable financial access.

Fourth: Financial Inclusion Indicators (Shabana, 2022, p.126; Abdelkader, 2018, p.8) ^[24]

1. **Access Indicators**
 - a) Number of bank branches per 100,000 people
 - b) Number of ATMs per 100,000 people
 - c) Percentage of adults with bank accounts
 - d) Percentage of active e-wallet accounts
2. **Usage Indicators**
 - a) Number of withdrawals/deposits per individual per year
 - b) Percentage of individuals with formal loans in the past 12 months
 - c) Percentage of individuals or enterprises using electronic payments
 - d) Volume of deposits and loans as a percentage of GDP
3. **Quality Indicators**
 - a) Suitability of services to micro-enterprise needs
 - b) Complaint rates regarding financial services
 - c) Customer satisfaction level
4. **Digital Financial Inclusion Indicators**
 - a) Percentage of individuals with e-wallets
 - b) Number of digital transactions per individual per year
 - c) Percentage of SMEs using digital channels for financing

Fifth: Relationship between Accounting Disclosure Quality and Financial Inclusion

Quality accounting disclosure is a key factor supporting financial inclusion. Good disclosure provides clear and transparent financial information that helps individuals and enterprises make sound financial decisions, enhances trust in financial institutions, and encourages engagement. Higher quality financial information improves access to suitable financial services, reduces information asymmetry, mitigates transaction risks, and expands financial inclusion, particularly for financially marginalized groups (Ali & Shahat, 2015; Al-Dmour, Abbod & Al-Qadi, 2018, p.11) ^[2]. Reliable and transparent financial reports enhance investor and lender confidence, increasing funding opportunities and reducing financing gaps in developing markets (Zandi & Abdullah, 2019, p.131) ^[16].

Section Five: Practical Aspect**First: Description of the Study Sample**

- Population and Sample of the Study
- Methods of Data Collection
- Study Instrument
- Statistical Methods Used
- Validity and Reliability Testing of the Study Instrument (Questionnaire)

Second: Practical Aspect (Data Analysis)

- Testing the Normality of the Data Distribution
- Statistical Description of Study Variables

In this section, the study data are presented and analyzed, where the characteristics of the study sample and its variables are described. This section reviews the demographic and personal description of the study sample, along with the statistical analysis results of the sample's responses to the variables using primary statistical indicators, based on means and standard deviations for all study variables.

1. Population and Sample of the Study

- **Study Population:** The study population included employees of the Heavy Equipment Company within Iraqi economic units.
- **Study Sample:** The researcher used a purposive sampling method and distributed the questionnaire randomly to employees of the Heavy Equipment Company, applying appropriate stratification across all departments.

2. Methods of Data Collection

The study relied on the descriptive-analytical method to examine the information system within the study population. Additionally, a field study approach was employed to achieve the study objectives. Data were obtained from two main sources: primary sources and secondary sources.

A. Primary Sources

Data were collected using a questionnaire specifically designed and developed to achieve the study objectives and test its hypotheses.

B. Secondary Sources:

1. Books and references in Arabic and other languages.
2. Journals, newspapers, reports, and periodicals.
3. Previous research studies, dissertations, and theses related to the topic.
4. Research from various websites and online sources.

3. Study Instrument

The study instrument was a questionnaire, which is a set of questions posed by the researcher to a group of participants to obtain specific data on a particular topic. Each questionnaire follows a distinct methodology and may include open-ended questions, allowing participants to respond freely.

The questionnaire was distributed and included:

- **Demographic data** with variables such as gender, age, educational qualification, job level, and knowledge about financial inclusion and accounting disclosure.

- **Two main axes**

a) **Quality of Accounting Disclosure**

b) **Level of Financial Inclusion**

Each axis consisted of 7 questions, as shown in Table (2). A total of 89 questionnaires were distributed, and 100% of them were returned.

Table 2: Distribution of Questionnaire Items

Axis	Questions	Item Numbers in the Questionnaire
Quality of Accounting Disclosure	The institution relies on preparing periodic financial reports regularly. The financial information provided by the institution is accurate and clear. All significant financial activities of the institution are disclosed without concealment or distortion. The institution presents financial information in a comprehensible manner to all relevant parties. The institution uses approved accounting methods when preparing its financial reports. The financial reports issued by the institution contain information that helps in making sound financial decisions. Financial reports are prepared according to set deadlines without delay.	1-7
Level of Financial Inclusion	The institution has an official bank account in its name. The institution primarily relies on banking channels for its financial transactions. The institution has received formal financing from banks or microfinance institutions in recent years. The institution uses electronic payment services or digital wallets in its financial transactions. The institution relies on official financial data when applying for financing. There is cooperation between the institution and banking institutions to facilitate access to financial services. Good financial disclosure has helped enhance the institution's chances of obtaining formal financing.	8-14

Source: Prepared by the Researcher

All variables were measured using a five-point Likert scale (1-5), which consists of:

Table 3: Five-Point Likert Scale for Response Degree

Response Degree	Strongly Agree	Agree	Somewhat Agree	Disagree	Strongly Disagree
Score	1	2	3	4	5

Source: Prepared by the Researcher.

4. Statistical Methods Used

To answer the study questions and test its hypotheses, the researcher used the Statistical Package for the Social Sciences (SPSS), employing the following methods:

A. Descriptive Statistics:

This statistical method is used to describe the demographic and personal characteristics of the sample members and to summarize their responses, through:

- **Percentages & Frequencies:** To measure distributions.
- **Mean:** To determine the average responses of the sample on the questionnaire items.
- **Standard Deviation (SD):** To measure the degree of dispersion of responses around the mean.
- **Relative Importance:** To determine the relative importance of questionnaire items and dimensions of study variables within three levels, based on the five-point Likert scale, using the following formula:

$$\text{Relative Importance} = \frac{\text{Upper Limit} - \text{Lower Limit}}{\text{Number of Levels}} = \frac{1-5}{3} = 1.33$$

Thus, the levels are:

- If the mean is (1 - 2.33), the level is Low.
- If the mean is (2.34 - 3.67), the level is Medium.

- If the mean is (3.68 - 5), the level is high.

Validity and Reliability of the Study Instrument (Questionnaire)

1. Validity of the Instrument

The validity was verified by presenting the instrument to a group of academic judges, including faculty members from Iraqi universities specializing in the relevant field.

2. Reliability of the Instrument

Internal consistency and correlation among measurement components were assessed to ensure stability in measuring the intended dimensions. The Cronbach's Alpha for the study instrument was 0.859, indicating a very good level of internal consistency among the items, reflecting high reliability. This value is acceptable for using the instrument to measure the study variables and achieve its objectives.

Practical Section (Data Analysis)

This section presents and analyzes the study data, describing the characteristics of the sample and the study variables, and indicating the relative importance of the questionnaire items. It includes results of the demographic and personal description of the sample, as well as the statistical analysis of the sample responses through means, standard deviations, and relative importance.

Normality Test of Data Distribution

The demographic and personal characteristics of the study sample, including gender, age, educational qualification, and years of experience, are illustrated in the following table:

Table 4: Normality Test for the Study Sample

Variable	Category	Frequency	Percentage (%)
Gender	Male	40	44.9%
	Female	49	55.1%
Total	—	89	100%
Age	30 years and below	21	23.6%
	31-40 years	33	37.1%
	41-50 years	22	24.7%
	51 years and above	13	14.6%
Total	—	89	100%
Educational Qualification	PhD	4	4.5%
	Master's	9	10.1%
	Bachelor's	76	85.4%
Total	—	89	100%
Job Level	Manager	3	3.4%
	Deputy Manager	10	11.2%
	Accountant	31	34.8%
	Programmer	13	14.6%
	Auditor	16	18%
	Other	16	18%
Total	—	89	100%
Knowledge of Financial Inclusion & Accounting Disclosure	Very High	2	2.2%
	High	53	59.6%
	Medium	34	38.2%
Total	—	89	100%

Source: Prepared by the researcher using SPSS software

The results presented in Table (4) show that 44.9% of the sample were males, which is slightly lower than the percentage of females, who constitute 55.1% of the sample. The results also indicate that 23.6% of the sample were aged 30 years or below. The proportion of individuals aged between 31 and 40 years was 37.1%, while those aged 41 to 50 years accounted for 24.7%, and the group aged 51 years and above represented 14.6% of the research sample. Regarding educational qualification, the majority of the sample held a Bachelor's degree (85.4%), followed by Master's degree holders (10.1%), and PhD holders (4.5%). The results also show that regarding knowledge of financial inclusion and accounting disclosure, 2.2% of the sample had very high knowledge, 59.6% had high knowledge, and

38.2% had medium knowledge.

2. Statistical Description of Study Variables

In this section, the study presents and describes the variables of the research and the questionnaires. Means and standard deviations were calculated for each item to determine the degree of agreement and the relative importance of each item.

Axis One: Accounting Disclosure Quality

To describe the quality of accounting disclosure, the researcher used means, standard deviations, and the coefficient of variation, as shown in Table (5) below.

Table 5: Mean, Standard Deviation, and Coefficient of Variation

No.	Value Stream	Mean	Standard Deviation	Coefficient of Variation
1	The institution relies on preparing periodic financial reports regularly.	2.26	1.050	0.464
2	The financial information provided by the institution is accurate and clear.	1.96	1.021	0.521
3	All significant financial activities of the institution are disclosed without concealment or distortion.	2.43	0.928	0.382
4	The institution presents financial information in a clear manner to all relevant stakeholders.	2.45	0.965	0.394
5	The institution relies on approved accounting methods when preparing its financial reports.	3.11	1.112	0.358
6	The financial reports of the institution contain information that helps in making sound financial decisions.	2.44	0.916	0.375
7	Financial reports are prepared according to specified deadlines without delay.	2.31	0.874	0.378
Total		16.96	6.866	2.872

Source: Prepared by the student based on SPSS program outputs.

As shown in Table (5) regarding the responses related to the first axis (Quality of Accounting Disclosure), the arithmetic means in the institution ranged between (3.11 - 1.96), with an overall mean of (16.96), while the overall standard deviation was (6.866) and the coefficient of variation reached (2.872) according to the five-point Likert scale. The statement "The institution relies on approved

accounting methods when preparing its financial reports" ranked first, recording the highest mean value of (3.11), which is above the general average, with a standard deviation of (1.112) and a coefficient of variation of (0.358). Meanwhile, the statement "The financial information provided by the institution is accurate and clear" ranked second, recording the lowest mean value of (1.96), which is

below the general average, with a standard deviation of (1.021) and a coefficient of variation of (0.521).

As indicated in the table, the dispersion of responses among the study sample regarding the dimension of Value Stream and its items is relatively low, which reflects a convergence in the respondents' views about the importance of data flow. There is also a clear closeness in the arithmetic means, and

the table demonstrates the coefficient of variation for the above items.

2. Second Axis: Level of Financial Inclusion

To describe the items of the second axis, the researcher used arithmetic means, standard deviations, and coefficients of variation, as illustrated in the results table below.

Table 6: Arithmetic Mean, Standard Deviation, and Coefficient of Variation for the Second Axis (Level of Financial Inclusion)

No.	Financial Inclusion	Arithmetic Mean	Standard Deviation	Coefficient of Variation
1	The institution has an official bank account in its name.	2.47	1.109	0.445
2	The institution mainly relies on banking channels for its financial transactions.	2.18	0.984	0.451
3	The institution has received formal financing from banks or microfinance institutions in recent years.	2.34	0.878	0.375
4	The institution uses electronic payment services or digital wallets in its financial dealings.	1.90	0.905	0.476
5	The institution relies on official financial statements when applying for funding.	2.11	0.872	0.413
6	There is cooperation between the institution and banking institutions to facilitate access to financial services.	1.93	0.863	0.447
7	Good financial disclosure has helped enhance the institution's chances of obtaining formal financing.	2.39	1.040	0.435
Total		15.32	6.651	3.047

Source: Prepared by the researcher based on SPSS outputs.

As shown in Table (6), regarding the responses related to the second axis (Level of Financial Inclusion), the arithmetic means for the institution ranged between (2.47 - 1.90), with a total mean value of (15.32). The total standard deviation was (6.651), and the overall coefficient of variation was (3.047) according to the five-point Likert scale.

The statement "*The institution has an official bank account in its name*" received the highest evaluation, with a mean of (2.47), which is above the overall average, a standard deviation of (1.109), and a coefficient of variation of (0.445).

Meanwhile, the statement "*The institution uses electronic payment services or digital wallets in its financial dealings*" recorded the lowest mean value of (1.90), a standard deviation of (0.905), and a coefficient of variation of

(0.476).

As illustrated in the table above, there is a noticeable closeness in the arithmetic means across the seven items, indicating a general agreement among the study sample regarding the importance of financial inclusion dimensions.

1. Relationship between Variables

Table 8: Pearson Correlation Test Results

No.	Variable	Description	Axis 1	Axis 2
1	Axis 1	Correlation	1	0.701
		Sig. (2-tailed)		0.000
2	Axis 2	Correlation	0.701	1
		Sig. (2-tailed)	0.000	

Note: Correlation is significant at the 0.01 level (2-tailed).

2. Hypothesis Testing

Main Hypothesis (H01): There is a statistically significant negative effect between the adoption of green financing and the level of corporate vulnerability to financial crises at a significance level of ($\alpha \leq 0.05$).

Dependent variable	Model Summary		ANOVA			Coefficients				
	R	R ²	F	DF	Sig. F	Variable	B	Std. Error	t	Sig. t
Financial Inclusion	0.701	0.492	84.102	Regression = 1	0.000	Quality of Accounting Disclosure	0.758	0.083	9.171	0.000
				Residual = 87						
				Total = 88		Financial Inclusion	2.466	1.448	1.703	0.092

Source: Prepared by the researcher based on SPSS results

The results of the regression analysis indicated that the quality of accounting disclosure has a positive and significant effect on financial inclusion. The unstandardized regression coefficient (B) was 0.409, which means that for every one-unit increase in the quality of accounting disclosure, the level of financial inclusion increases by 0.409 units.

The statistical significance level (Sig. = 0.000) confirms the significance of this effect, while the standardized Beta

coefficient was (0.701), reflecting the strength of the relationship between the two variables.

The values of Tolerance and VIF also indicate the absence of multicollinearity among the independent variables, confirming the reliability of the regression model used.

Chapter Six: Conclusion and Recommendations

First: Conclusion

1. The regression analysis results showed a **positive** and

statistically significant relationship between the quality of accounting disclosure and the level of financial inclusion in micro-enterprises.

2. It was found that institutions with a higher level of accounting disclosure have greater opportunities to obtain formal financing from official financial entities, which confirms the validity of hypothesis (H2).
3. The analysis revealed that weak accounting disclosure in some institutions is mainly due to limited financial literacy and the lack of qualified accounting personnel.
4. The data indicated that institutions using electronic or digital disclosure tools achieve higher levels of financial inclusion compared to those relying on manual or informal disclosure methods.
5. The analysis also revealed a significant variation among institutions in their level of disclosure, which negatively affects fair access to financing opportunities.

Second: Recommendations

1. Activate simplified accounting disclosure systems in accordance with international standards (IFRS for SMEs) to enhance the confidence of financial institutions in the data provided by small and medium enterprises, thereby improving their financial inclusion.
2. Encourage banks and financing companies to link their credit evaluation criteria to the level and quality of accounting disclosure, rather than relying solely on guarantees or personal relationships.
3. Launch specialized accounting training programs for owners and managers of micro-enterprises focusing on the importance of disclosure and the preparation of accurate financial reports.
4. Support digital transformation in financial disclosure systems for micro-enterprises through the development of simple electronic platforms supervised by governmental or banking authorities.
5. Enact clear legislation requiring a minimum level of accounting disclosure for institutions applying for financing, while providing incentives for compliant institutions, such as priority in obtaining loans or exemption from certain fees.

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