

THE IMPACT OF MICRO CREDIT ON FINANCIAL CONDITION AND SOCIO-ECONOMIC OF WOMEN ENTREPRENEURS IN BANGLADESH

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Abstract: Bangladesh is an innovator and home of abstracting micro credit program. It has taken few programs to alleviate poverty and enhance the quality of life among poor people. The main purpose of this research is to examine the impact of micro credit on financial condition as well as the socio-economic factors of women entrepreneurs in Bangladesh. Quantitative research method is adopted in this research to answer all the research objectives. Overall 230 women entrepreneurs have involved in the survey conducted in this research. Based on descriptive analyses, it is found that micro credit does not significantly affected the borrowers' financial condition and some of the socio-economic variable including social security, health consciousness, entrepreneurship, and education. This research gives input to the micro finance institutions especially in Bangladesh to develop potential products to increase the borrowers' financial and economic condition which at the same time alleviating poverty in the country. Finally, it is also benefits the Bangladesh government to enhance the existing policy on financial matters towards enhancing standard of living among the society in Bangladesh.

Key words: micro credit, woman entrepreneurs, Bangladesh, financial institutions

Background of Research

Poverty alleviation has been a significant development challenge for long time. One of the crucial reason of this problem is that poor people are ignored from getting funds to allow them to receive benefits of financial opportunities to enhance their income level and livelihood to strengthen their economic condition to move out of poverty. The concept of credit can be traced from the history that was not appreciated till or after the Second World War though it was appreciated in Europe and later to Africa (Kiiru, 2004). The credit became popular in USA during the economic boom in 1885 whereby the banks had plenty of cash and interested to lend the extra cash to customers (Ditcher, 2003). The idea of micro finance is close to link with the idea that the poor people get chance of having small loan to change their economic conditions in less cost.

In Asia, Micro finance is mostly popular in India, Bangladesh and Pakistan whereby those countries are dominating the industry. In Bangladesh, credit facility was basically given to the rich people and prominent companies. Hence, in 1985, the product of micro credit was offered by Grameen bank mainly to provide credit facility to the poor and small businesses. Professor Dr. Yunus (economist) came up with micro credit through the Grameen bank in 1985. Passion for micro credit has reached its greatest in the year 2006 when Dr. Muhammad Yunus won the Nobel Peace Prize as he has successfully developed the concept of micro credit in Bangladesh through Grameen Bank. Micro finance has boomed in the last 20 years and the year 2005 has been declared as the international year of Microcredit by the United Nations. Attali (president of the positive planet) said (www.microworld.org) that Microfinance along with 3 other pillars which are democracy, education and infrastructures is considered key instruments in implementing effective and sustainable strategies to fight against poverty.

Accordingly, micro credit system not only enhances the standards of living of the society, it also helps the poor people to become entrepreneurs, supports the participation of women in politics, enables the poor to get receive education, medical treatment, and enhances decision making of families and society. In Bangladesh, it has been proven as the essential tool of alleviating poverty. According to Asian development Bank Org., Bangladesh overcame the half of poverty from 1990 to 2015 (www.adb.org). Bangladesh has made creditable progress on many facets of human development which has been a substance for enhancements in growth, education and social mobility. This is further proved by the (International Development Association, worldbank.org) where 98% of admission of girls in primary and secondary schools has increased tremendously to over 6 million (2013) from 1.1 million in 1991. According to the impact study conducted by Bangladesh Institute of Development Studies, the share of farmers' nonagricultural assets has also increased from 25 percent to 50 percent in 2013. These basically represent the significant effect of micro credit facility towards poverty reduction in Bangladesh.

Bangladesh is one of the highly compact populated country whereby the women are left behind in regards of economic position in the country. But women are contributing indirectly in Bangladesh economy through household works, agriculture and etc. despite of having very narrow rights in the community. Therefore, the micro credit institutions introduced the scheme of providing loans only to the women in Bangladesh. The main goals were to bring the women into economic activities by providing small loans through start business and become independent rather than depending on male dominated economic environment. Micro credit started to influence women in Bangladesh to become entrepreneur and potential active citizen of the country by proving their skills and knowledge. However, in recent years, the institutions are mainly providing loans to make profit rather than encouraging women in regards of socio economic factors. The men are involving women to get loans for their personal consumption. The quality of micro credit has reduced over the decade. Therefore, a large of women are

involved with micro credit institutions, but the numbers of effective projects are not implemented by the borrowers. The authors are aiming to find the effectiveness of micro credit towards women entrepreneurs in Bangladesh to evaluate the current situation of women entrepreneurs, their financial condition and socio economic situation. Most of the micro credit institutions are providing loans to only women. Therefore, the authors targeted women entrepreneurs to identify their improvement in the context of financial, social security, education and health. The women who is currently engaged and non-engaged are able to find the impact of the micro credit in regards of financial and socio-economic benefit towards their life through this research.

In this paper, there are two questions raised. Firstly, is there any significant improvement in the financial condition of women entrepreneurs through micro credit? Secondly, is there any development in the entrepreneur's socio-economic factors in Bangladesh? This paper articulate these questions by conducting descriptive analysis using survey data that collected from the 230 women entrepreneurs (micro credit borrowers) in four areas in Bangladesh. The remaining of this paper is arranged accordingly: Literature review, discussion and findings of the research and the conclusions.

Literature Review

Micro finance is considered as the change maker of poor people to become financially stable through the uses of the loan on investment or entrepreneurial activities. Karlan and Zinman (2004) identified through article reviews that Micro finance offers the finance discipline a possible avenue to make a significant difference in the lives of poor people. In general, micro credit is to allow poor people to have access to monetary services that they are not able to obtain from usual banks due to the lacking of surety requirements. Rankin (2002) said that microfinance/microcredit concepts are grounded on the scheme of exploiting communal principal to enhance growth from lower level, therefore these concepts have pulled as a preferred prototypical of expansion. According to Gutierrez-Nieto et al. (2007), micro finance institutions are double faced in nature of operating which named as social nature and for-profit nature. Micro credit introduced in central and eastern Europe after the collapsed of the Berlin Wall, micro credit has significantly represented as moving sector whereby the conventional banks unable to respond to emerging needs, microcredit has proved the capable of helping to eradicate world poverty by providing transitional support for poor people to enhance their own livelihoods and source of income. According to Zaman (2004), microfinancing in Bangladesh has rooted in the 1970s, starting from 1980s, the non-government organizations started to provide credit towards poor, but the Grameen Bank of Bangladesh with the microfinance pioneer Muhammad Yunus started and shaped the modern industry of micro financing in 1990s.

Chughtai et al. (2015) stated from secondary data taken from Tameer Micro finance bank Rawalpindi branch, Pakistan that micro finance has positive impact on education, household income and food security by using multiple linear regression model. In addition, Bashir et al. (2010) found that micro credit helps to increase incomes which lead to a reduction in poverty by interviewing borrowers and non-borrowers through multiple regression models in Pakistan. The author also mentioned that the micro credit is an important tool for improving and increasing the living standards of people. Bauer et al. (2008) stated that the women have lower savings in total which allow them to borrow from Micro Credit Institutions for capital by surveying in June, 2007 using Regression model, Ordered Probit and lab experiments in the field. They also added that micro credit helps borrowers in discipline their financial lives in India. According to Khandker and Samad (2014) noted in their research working paper that borrowings from micro finance institutions increases personal expenditure, household assets,

the labor supply and children's education in Bangladesh. They also pointed that women are benefited through micro credit than men as they are encouraged to active in income earning activities.

According to Parulian et al. (2014), Micro finance institutions motivate the borrowers to have entrepreneurial dimensions which is creative, honest and enabled to develop the business, indulge with commitment for works followed by tremendous allocation of credit, to work effectively, prioritizing responsibilities along with confidence and discipline through timelines by Phenomenological analysis of interviews from informant in Indonesia. On other hand, Karlan and Zinman(2011) indicated in their practical and theoretical research that the net borrowings enlarged in the behavior relation to panels whereby the amount of business activities and workers in the behavior group reduced comparative to panels by taking corresponding lenders data 2011 in Philippine. The Author also found that micro loans upsurge capability to survive with risk, reinforce public ties and raise entrée to casual credits. Micro credit has brought the changes on consumption expenditure that lead to grow the GDP for the country.

Mazumder and Wencong (2013) found the evidence from conducting surveys among recipients and non-recipients in April 2009 and April 2010 through multiple regression models that there is a positive impact on income, assets endowment, standard of living and poverty reduction. It also shows that micro credit represented as an important factor to have an impact on household income which reduces the poverty in Bangladesh. In addition, Hadi(2001) suggested from Multivariate Analysis of survey data that micro credit system involvement and revelation to the media significantly raise the health knowledge among women. The paper treated the micro credit system is an effective tool in promoting health knowledge among poor women in Bangladesh. According to Strobach (2007), Micro credit has latent of a communicator, disseminator and educator and the rural people are more concern and the knowledge of health has increased through MFIs intervention. On other hand, the urban area seemed no difference as they have varieties of communicators rather than rural areas. The author claimed that MFIs delivered the information towards villagers regarding health consciousness, such as proper sanitation, drinking pure water etc. in Bangladesh in his paper by conducting cross sectional test on surveys and interviews. However, apart from enhancing the awareness over health issues, there are few negatives health distressing issues were found through micro credit loans. Ahmed et al. (2001) signposts the health issues in of borrowers in Bangladesh through multivariate analysis on survey data. He specifically pointed that emotional stress comparably higher among the borrowers due to pay on time. Found emotional stress comparably higher among borrowers as it is enhanced women to pay on time and it consider as pressure.

Omar (2010) evaluated the growth data of AIM (Amanah Ikthiar Malaysia) and stated that it is succeeded the replication of Grameen concept (Grameen Bank, Bangladesh) of micro credit policy in Malaysia. The author also regarded the AIM (Amanah Ikthiar Malaysia) as an association of the very poor people which is working together for their common good. However, Akangbe et al. (2012) signposts that poverty exists among the customers of microfinance banks in Nigeria through Multinomial Logistic regression by obligating oral interviews with structured questionnaire from micro finance bank customers. It is acknowledged that the borrowers computed as below poverty line due to the period of loan repayment and marital status. Therefore, authors remarked that the effectiveness of microfinance institutions is not efficient to alleviate poverty as the loan repayment and marital status limit the efficacy of micro credit.

According to Haque & Harbin (2007), micro credit helps the poor people to establish economically and creates the position to repay loan from comprising of financial data collected

from Grameen bank for 2003 to 2006 in Bangladesh. However it is denied by the prime minister of Bangladesh (Sheikh Hasina, 2015) in Ghanabhaban (Dhaka). She mentioned that the micro credit is not able to change the poor's luck as they are required to pay higher interest and only micro savings are able to bring changes in economic condition among poor. . In supported, Ashraf (2016) indicated in his paper through factor analysis that poverty alleviation was not seen significantly in Bangladesh. Moreover, he added that micro credit could not satisfy the factors such as membership criteria, costs of credit, income and living standard, religious restrictions and risk of loans.

Data and Methodology

This research used the primary data that collected from different areas in Bangladesh. The survey was conducted in May to June in 2016. The related information collected through questionnaires. The questions were designed by the researcher and evaluated by the experts of micro finance and statistics. The data were collected from the borrowers of micro credit through a respective local person individually from 230 women in different areas; Feni, Mirsarai, Sitakund, Gazipur & Dinajpur. The descriptive, correlation and regression analysis were conducted to evaluate the impact of financial condition as well as the socio-economic factors of women entrepreneurs.

Background of Respondents

Overall, an entire of 230 questionnaires were brought forward for final analysis. Questionnaires were distributed among micro credit borrowers located in Feni, Mirsarai, Chittagong, Gazipur in Bangladesh. Table 1 in the next page shows the respondents' background of information. As the micro credit loans only assessable in Bangladesh by woman, all the respondents that involved in this research are female. In terms of age, most of the respondents are in their young age whereby 35.2 percent of them are in between 26-32 years. Only 17.4 percent in the range of 18 to 25 years and 15.7 percent are above 40 years. In case of marital status, majority of them are married (72.2 percent) while only a few are divorced (5.2 percent) and widowed (6.1 percent). Meanwhile, in terms of their education level, under SSC(Secondary School Certificate) show the highest percentage (37.4 percent) followed by SSC (33.5 percent), HSC (Higher Secondary School Certificate) (22.6 percent), bachelor degree (4.8 percent) and the least is master holder (1.7 percent). In addition, it is observed that most of the women are having 2-4 dependents with 45.2 percent whereby the least percentage of above 7 is 10.9 percent. Most of the respondents are housewife with the percentage of 48.3 whereby business women are found only 6.5 percent. Majority of loan obtained for farming which includes agriculture and domestic animals purchase that consist of 37 percent and 11.3 percent are taken for business purpose. Moreover it is observed that most of borrowers are involved less than one year where by 37 percent involved in micro credit loan for less than one year. 11.3 percent involved for 2more than 5 years. Details on these outcomes are presented in Table 1 below.

Table 1: Background of Respondents

Demographic Information		Frequency	Percentage (%)
Gender	Female	230	100.0
Age	18-25	40	17.4
	26-32	81	35.2
	33-40	73	31.7
	Above 40	36	15.7
	Total	230	100.0
Marital Status	single	38	16.5
	married	166	72.2
	divorced	12	5.2
	widowed	14	6.1
	Total	230	100.0
Education	Under SSC	86	37.4
	SSC	77	33.5
	HSC	52	22.6
	Degree	11	4.8
	Master	4	1.7
	Total	230	100.0
Number of Dependents	<2	56	24.3
	2-4	104	45.2
	5-7	45	19.6
	>7	25	10.9
	Total	230	100.0
Source of Income	Housewife	111	48.3
	Business	15	6.5
	Service	37	16.1
	Remittance	29	12.6
	Others	38	16.5
	Total	230	100.0
Purpose of loan	Business	26	11.3
	Farming	85	37.0
	Clearing off	57	24.8
	Others	62	27.0
	Total	230	100.0
Duration with MF	<1 year	85	37.0
	1-2 years	74	32.2
	3-4 years	45	19.6
	>5 years	26	11.3
	Total	230	100.0

Results and Discussion

Financial Condition after Taking Micro Credit Loan

In order to determine the financial condition of the borrowers' five queries were questioned to them with regards to their level of financial condition after taking micro credit loan. According to the descriptive analysis outcomes in table below, the level of financial condition among borrowers is perceived founded on the value of mean graded as of 2.2304 to 3.1957. Overall, based on, the result of average mean value which is 2.8365, it is regards that the micro credit facility does not improve the financial conditions of the borrowers especially in terms of enhancing the households income and also buying of assets or properties. Table 2 below represented the details of the value of mean for each question.

Table 2: Impact of micro credit on financial conditions

No.	Financial condition	Mean	Standard Deviation
1	I am able to settle my weekly installment without fail.	3.1957	1.04942
2	I am able to manage the cost of my business/investment activities.	3.0957	1.13671
3	My household income has increased.	2.9261	1.13642
4	My financial condition allows me to improve the quality of life through purchasing non-basic goods. Eg: TV, Refrigerator, and Furniture.	2.7348	1.14994
5	I am able to purchase permanent/fixed property. Eg; House, Land	2.2304	1.01256
Average mean value		2.8365	

Note: 1=strongly disagree, 2=disagree, 3=neutral, 4= agree, 5=strongly agree

Level of Social Security

According to the descriptive analysis consequences in table below, the development in social security among borrowers is witnessed grounded on the value of mean tiered from 2.9348 to 3.2304. The greatest value of mean chronicled on the proclamation that I am not barred from airing my views/opinions openly which means that the borrowers are able to suggest or put their recommendations towards community without any hesitation. However, they are not able to engage myself in political events freely. They are still dominated by men in political endeavors. This has the least mean value of 2.9348. In general, the borrowers seem to have no effect in social security after taking loan as the average mean value is 3.112. Table 3 illustrates the details of the outcomes of each questions.

Table 3: Impact of micro credit on social security

No.	Social Security	Mean	Standard deviation
1	I can engage myself in political events freely.	2.9348	1.27458
2	I can participate/contribute freely to community enhancement works.	3.1696	1.49583
3	My contribution is valued as much as those from opposite gender.	3.1130	1.28658
4	I am not barred from airing my views/opinions openly.	3.2304	1.13843
Average value of mean		3.1120	

Note: 1=strongly disagree, 2=disagree, 3=neutral, 4= agree, 5=strongly agree

Level of Entrepreneurship after Taking Micro Credit Loan

According to the descriptive analysis outcomes in table below, the improvement of Entrepreneurship among borrowers is perceived constructed on the value of mean ranged from 2.9174 to 3.3565 and the average value of mean is 3.13. In this context, it is regards that majority of the woman borrowers is not affected through micro credit in regards of the level of entrepreneurship. It means micro credit has no impact on the level of entrepreneurship among women entrepreneurs. The highest mean value is recorded on the statement number three which is: 'I am adding value in the local economy through my entrepreneurial activities' (mean value = 3.3565). Because of this value represents neutral response from the respondents, it indicates that the woman are neither agree nor disagree that micro credit loan has assist them towards business activities which indirectly contributes to the enhancement of the local economy. The least mean value is on the statement number two 'I am feeling the necessity of academic business skillsets which are normally taught in higher education.' where the women's in opinion

that the business education that were taught in higher educations of institutions were not important and necessary for them to run a business. Table 4 illustrated the details of the outcomes of each question.

Table 4: Impact of micro credit on entrepreneurship

No.	Entrepreneurship	Mean	Standard Deviation
1	I am able to reduce poverty in my community by providing job opportunities for them.	3.2348	1.41933
2	I am feeling the necessity of academic business skillsets which are normally taught in higher education.	2.9174	1.23173
3	I am adding value in the local economy through my entrepreneurial activities.	3.3565	1.32290
4	I become a role model for financial/business activities towards other women who yet to take micro credit.	3.0217	1.02988
Average value of mean		3.1326	

Note: 1=strongly disagree, 2=disagree, 3=neutral, 4= agree, 5=strongly agree

Improve in Education after Taking Micro Credit Loan

The descriptive analysis outcomes in table below, it shows that the improvement in education among borrowers is detected according to the value of mean ranged from 2.7304 to 3.6696. The greatest value of mean is noted on the proclamation number four which is ‘I am able to share my personal experiences/knowledge to other women’. This statement indicates that the women borrowers were considerably to share their personal development, experiences with micro credit with others. However, they are neutral on sending their children or younger siblings for education even after taking micro credit loan. The borrowers were further disagree on pursuing part time studies for personal development and were not interested to apply for technical education either from government or other parties. The results indicates that the borrowers did not able to improve their education level after taking micro credit loan (average mean value is 3.1174).

Table 5: Impact of micro credit on education

No.	Education	Mean	Standard Deviation
1	I am able to send my children or younger siblings for education.	3.3043	1.39665
2	I am able to afford part time studies for personal development purposes.	2.7304	1.17337
3	I can manage to take technical/vocational education provided by government and others.	2.7652	1.13945
4	I am able to share my personal experiences/knowledge to other women.	3.6696	1.26920
Average value of mean		3.1174	

Note: 1=strongly disagree, 2=disagree, 3=neutral, 4= agree, 5=strongly agree

Health condition after Taking Micro Credit Loan

In order to determine the health condition among the borrowers after taking micro credit, five questions were asked to them with regards to their health after taking micro credit loan. Based on the descriptive analysis results in table 6 below, majority of the woman borrowers do not find any impact of the micro credit loan towards their health conditions (average mean value is 3.18). In details, majority of them did not relate to the statements regarding health improvement after taking micro credit. After introduction of micro credit system, NGO’s set up some sources of pure drinking water for the rural people. Therefore, people are able to get pure drinking water for free. However, the health condition is defined with the availability of cost for treatment for diseases, supply of healthy food, nutrition etc. therefore, it is difficult for

them to save money manage those things after fulfill their basic needs due to repayment along with interest. Table 6 illustrated the details of the outcomes of each questions.

Table 6: Impact of micro credit on health

No.	Health	Mean	Standard Deviation
1	I can afford a more balanced diets.	3.3130	1.46794
2	I am able to afford better medical treatment.	3.2435	1.41478
3	I am able to afford a healthy sanitation.	3.3130	1.53199
4	I am able to provide clean drinking water to my family.	3.3304	1.47895
5	I suffer less depression after involving with micro credit.	2.7000	1.51312
	Average value of mean	3.18	

Note: 1=strongly disagree, 2=disagree, 3=neutral, 4= agree, 5=strongly agree

Customer's satisfaction altitude

Based on the descriptive analysis results in Table 7 below, the level of satisfaction among the woman borrowers on micro credit is basically ranked from 2.0304 to 3.5488. The highest mean value (3.5488) is recorded on the statement: 'I am satisfied with the method of collection by micro finance institutions'. It indicates that most of the borrowers are satisfied with the process of collecting installments. Based on the previous studies (Ahmed S. M. et al, 2001 and Lamia K, 2008) the collection method that is considered as threatening, harassment and mental pressure to the entrepreneurs but it is treated as force to work and generate income by investing loaned money to profitable business.

Table 7: Level of Customer's satisfaction altitude

No.	Customer's satisfaction altitude	Mean	Standard Deviation
1	I am satisfied with the interest rate that is imposed by micro finance institutions.	2.0304	1.06715
2	I am satisfied with the method of collection by micro finance institutions.	3.5488	.70540
3	I have given variable time period to settle the loan in case of default.	3.2000	.50000
4	I faced physical or mental pressure to pay the loan installment.	3.2414	.51096
5	I suggest my friends to take loan from micro finance institutions in future.	2.4000	.82853
6	I faced harassment by micro finance institutions.	3.3333	.55377
7	I am satisfied with the terms and conditions offered by the micro credit institutions.	2.9348	1.17101
8	I am happy with services provided by micro finance institutions.	3.2391	1.05286

Note: 1=low satisfaction to 5=high satisfaction, towards micro finance system and management.

Correlation and Regression Analysis

From Table 7, the Pearson correlation coefficient between dependent (CSA) and the independent variables (FC, SS, ENT, EDU, and HLTH) is negatively correlated at 1 % level of significance. Thus, financial condition, social security, entrepreneurship, education and health improvement do not help to enhance the customer's satisfaction attribution.

Table 7: Correlation Analysis

	FC	SS	ENT	EDU	HLTH
CSA	Pearson Correlation	-.407**	-.171**	-.546**	-.496**
	Sig. (2-tailed)	0.000	0.010	0.000	0.000

Equation: The estimated linear regression

$$\text{CSA} = 3.314 + .078 \text{ FC} - .099 \text{ SS} - 0.131 \text{ ENT} - 0.039 \text{ EDU} - 0.050 \text{ HLTH}$$

t-val: (22.108) (1.348) (-2.016) (-2.240) (-.725) (- 2.817)

p-val: (.00) (.179) (.045) (.026) (.469) (.005)

From the regression analysis, it shows that SS, ENT and HLTH negatively affect the CSA at 5% level of significance. However, EDU also negatively affect the CSA even the level of significance is higher than 5%. Even the variable FC shows the positive impact on CSA, but it is insignificant at the 5% level of significance. Thus from the regression analysis, we can conclude that the variables SS, ENT and HLTH have the high negative impact compare to FC and EDU.

Based on correlation and regression analysis, it is found that micro credit failed to improve the financial condition of the woman entrepreneurs. There is a significant correlation between financial condition and micro credit involvement. However, the regression analysis found the positive impact on micro credit engagement but the result is insignificant. The result answered that the first objective of this research whereas there is no significant improvement in financial condition through micro credit involvement. This finding is consistent with previous study done by Ashraf (2016) where he found that micro credit is not successful to eradicate poverty through improving financial condition in Bangladesh by conducting factor analysis on survey data from three NGOs members. This might be due to high interest rates, and inappropriate of investment of loans. In this matter, micro credits institutions are advised to have filtering on loan out and monitor the uses of loans by the borrowers to confirm the productive investment. However, it is different from findings of Haque & Harbin (2007) and Mazumdar & Wencong (2013) which was conducted in different countries where they found that micro credit system has improved the financial condition of the borrowers. the micro credit implementation has failed to develop the borrower's financial condition.

Apart from financial condition, this study also investigated the influence of micro credit loan on the socio economic factors of the woman entrepreneurs in Bangladesh. There are four socio economics variables examined in this study which are social security, entrepreneurship, education and health improvement. According to correlation analysis, the result shows the negative correlation between micro credit consumption and other factors (Social security, entrepreneurship, education and health). These results help to identify the objectives of this paper whereby the micro credit is unable to bring significant impact on women's socio-economic factors. These basically are opposite with the findings of other studies (Hadi,2001 and Strobach.,2007) which were conducted in different population (women from urban and rural areas those are members of NGO) where they found that micro finance institutions has raised the awareness on health and knowledge among the borrowers. It is align with Ahmed et al. (year) where they found emotional stress has increased among the borrowers after taking micro credit loans. Therefore, mentally and financial pressure to pay the installment of time leads the depression as well as pressure on their borrowers' health. Financial condition, social security, entrepreneurship, education and health were not improved by micro credit system in Bangladesh.

Conclusion

Micro credit system is a very important tool of alleviating the poverty in emerging thrifths like Bangladesh. Poverty is hazard to the poor as well as for the economy of the country as citizens are unable to develop their standard of living as well as prepare bright future to their generation. In Bangladesh, micro credit facility is offered to the woman to encourage them to start and sustain in businesses. It is believed that woman entrepreneurs play a major role in changing family's economic condition towards having better education, health, and social life. Thus, this research is conducted to find the impact of micro credit system towards woman borrowers in basis of improvement in their livelihood in Bangladesh. Based on previous literatures, it is found that the enhancement of financial condition and other socio-economic factors among the borrowers leads to the total reduction of poverty. After empirical exploration of the survey data, this research did not find any improvement of the financial condition of the woman borrowers under study after taking micro credit loans. Moreover, this research also didn't find any positive development of the borrowers' social life especially in terms of social security, level of education, health conditions and also entrepreneurial activities. These findings therefore give some impressions that the micro credit system in Bangladesh does not meet its primary objective where the institutions only concern on profit maximization by neglecting the positive effect of offering micro credit to the poor people in Bangladesh.

Accordingly, further study need to be done to investigate the agenda of the micro credit institutions in Bangladesh in order to ensure its really benefited the society and the country at large. In this context, government intervention is really needed to support the society especially the poor and middle income earners which include the woman entrepreneurs as an effort to reduce the level of poverty in Bangladesh. Other than that, development of micro credit product that base on Islamic principles where the ultimate objective is to ensure social benefits is necessary at this juncture to take care of the poor people. As practiced by other countries (Malaysia, Indonesia, United Kingdom, Saudi Arabia, and other countries), Islamic principles like Mudharabah and Musharakah which mean partnership between the financial institutions and customers (borrowers) are normally adopted to offer micro financing products to the needy. This at the end would eliminate unfair treatment and unequal distribution of income among the nation. This effort is possible if there are supports from all level of groups in Bangladesh including the government, financial institutions, industry players, and also the society as a whole.

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