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Individual's Perception in Microcredit: A Case Study in the Area of HSTU, Dinajpur, Bangladesh

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Abstract

The purpose of this study is to contribute to the literature by investigating the impact of microcredit programs on how individuals perceive microcredit and the facts about it.This study also investigates the efficiency of management policies of microcredit institutions in targeting the 'real' poor. Lastly, provide some insights on how to enhance these programs' effectiveness in alleviating poverty. This study adds to the existing literature, which found that microcredit programs had a positive impact on participants' income, expenditure, quality, quantity, and education. Furthermore, the findings show a significant relationship between microcredit and an increase in the recipient's business profits and capital in countries such as Bangladesh. The researchers discovered, however, that providing microcredit was able to increase individuals' feelings of empowerment and independence. Moreover, the targeting criteria of microcredit institutions are found to be very efficient in being able to reach the extreme poor. Finally, the study referred to common challenges in the microfinance business that, apparently, microfinance institutions in Bangladesh are facing.

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1. INTRODUCTION

The lack of comparable and up-to-date data sets was a major issue when creating such a report. Definitions also differ; for example, one MFI's microenterprise loans may be considered 'mainstream microcredit' by another MFI. The lack of programmatic and financial information for individual financial products is a significant challenge to determining the viability of individual products. In some MIFs, for example, hardcore poor and marginal / small farmers are merged with mainstream client groups, whereas these are not unique programs in others. Segregation of income and expenditure data according to products is very rare. Therefore, data has been updated and separated wherever practicable and estimated in other cases. Information about outreach, institutions, and other programs presented in this paper should not be treated as exhaustive. The study's goal is to find evidence of an individual's perception of microcredit in Bangladesh for the poor, to discover why villagers take microcredit, to observe how the microcredit borrower uses the borrowed money, to examine the impact of microcredit on alleviating rural poverty, and to identify the prospects of microfinance credit in Bangladesh. At the household level, microcredit could provide households with capital to enhance their ability to adjust to unexpected shocks and extend their business (Pischke and Adams, (1980)). However, some argue the negative or no effects of microcredit on household income, especially on the evidence of using the randomized controlled trial (RCT) (Augsburg, et al 2015). Augsburg et al. (2015), on the other hand, argued that if households prefer to use their own family's labor, there is a negative relationship between microcredit and child schooling. Particularly, rising dependence on microcredit has been linked with decreases in the school attendance of kids and teenagers. However, these impacts are not significant. Meanwhile, increased microcredit sharing has resulted in an increase in teen labor. Pitt and Khandker (1998) utilized instrumental variables to estimate the impact on household consumption of lending by three major microcredit institutions in Bangladesh. Using the extent of land ownership as an instrument, the estimations showed a significant impact of microcredit on per – capita consumption. Khandker (2005) discovered that lending to women increased household consumption in Bangladesh. Nevertheless, Jeanneney and Kpodar (2011) feel that the straight effect of financial development is stronger on poverty reduction than the indirect effect. Bauchet and Morduch (2013) concluded that SME financing and microcredit investment are complementary in the fight to reduce poverty. The aim of microcredit is to diminish poverty by creating self-employment in low-income communities. Adriana and et.al (2020) find that microcredit has received considerable attention due to its potential to help achieve the Sustainable Development Goals (SDGs), in particular through its effects on poverty alleviation, female empowerment and self-employment. They find statistically significant and economically meaningful positive associations with both inspirational hope and economic welfare. Overall, this study suggests that microcredit could play an important role in reducing internal psychological constraints and, thus, in achieving the SDGs through this channel. Coleman (1999) investigated the impact of microfinance lending on village banking programs in Thailand. His research was carried out by two microfinance institutions, the Rural Friends Association and the Foundation for Integrated Agricultural Management, and included 455 households (participants and non-participants).The study found no evidence of poverty reduction as the small loans taken from these two institutions by clients might have been used for consumption objectives rather than for investing in business or starting up something to come out of poverty.

The objectives of the study are (a). To know the impact of the microcredit program on the feelings of individuals. (b). To investigate the efficiency of management policies of microcredit and (c). To identify the common challenges in the microfinance business. As a

result, the current study is attempting to answer the following research questions.(a). How to enhance the microcredit program to alleviate poverty? (b). What are the common challenges in the micro finance business? & (c). What is the impact of the micro credit program on individual perceptions?

2. LITERATURE REVIEW

Fernando et al. (2020) focus that the credit line retains standard features of microcredit such as joint liability, female borrowers and weekly meetings, but allows flexible borrowing and repayment, like a credit card. They find a positive effect on the vendors' gross profits: on average a credit line increases profits by 7 percent compared to a standard microcredit term loan. The profit differential increase with time since loan disbursal, to about 15 percent after 18 weeks. The observed increase in profits appears to be mainly driven by the credit line allowing more flexible borrowing and repayments, and allowing vendors to invest in more profitable goods. Our findings highlight providing flexible loans as a viable strategy for raising the impact of microcredit. More generally, our results suggest that allowing more flexibility in the lending terms could increase the effectiveness of microcredit provided to small businesses in developing countries. The added elasticity may enable borrowers to manage their debt more actively and/or pursue more profitable investments. These findings complement and contribute to the growing evidence that conventional microcredit loans may be unnecessarily rigid and constraining entrepreneurship. Morduch et al. (2000) whispered as microcredit has grown in scale and scope, debates about its effectiveness continue among policy makers, nongovernmental organizations, and academics. Proponents emphasize that microcredit helps poor people invest in productive activities, which eventually leads to increased income, consumption smoothing, and improvements in health, education, and women's empowerment (Hermes and Lensink, 2011). Recently, microcredit has generated considerable enthusiasm and hope for ensuring sustainable financial inclusion of the poor. Our results from sub-sample analyses suggest that credit does not increase the fertilizer use by those who have better access to irrigation water as they have already useful the amount of fertilizer near to the recommended level. On the other hand, credit increases the fertilizer use by those who have limited access to irrigation water and have previously used little fertilizer. However, possibly due to the poor yield response to fertilizer, the increase in chemical fertilizer use does not result in higher yield for them. We also observed similar phenomenon for the comparison between trained and non – trained borrowers before the intervention. Our study suggests that improving credit access may not be enough to increase small – scale farmers' technology adoption, agricultural productivity, and welfare. Most of these studies show that microcredit increases business investments but has a relatively small impact on income or human development measurements, and thus, microcredit is not a silver bullet for poverty reduction. We find a negative and significant effect of credit on the imputed co our study suggests that addressing credit constraint may not be enough to hearten the adoption of new technologies and progress the productivity of rice cultivation. sts of family labor. This studies often examine the effect of microcredit on various outcomes such as consumption, new business creation, and business and household income, as well as other human development indicators including education, health, and women's empowerment (Bauchet et al. 2011). Ahmed abd et al. (2011) told that the growing share of banks offering microcredit has contributed to the more heterogeneous contract terms and composition of borrowers now observed in this credit sector. Banks have different approaches to microcredit and social objectives from their NGO counterparts. Most studies concluded that microcredit plays an important role in increasing individual and household income and expenditure, thereby contributing to poverty alleviation (Khanker,2005; Imai and Azam, 2012; F'elix and Belo, 2019). Roodman and Morduch (2009) replicated the work of Pitt and Khandker (1998) for

Bangladesh. They performed a regression discontinuity estimation and found that consumption was not driven by microcredit borrowing, in disagreement of the original findings of Pitt and Khandker. They argued that the eligibility criterion of owing land at some threshold level was not imposed and that therefore the use of this as a helpful variable was not valid. Regarding health shock associated with mortality of a household member, a systematic literature review by Alam and Mahal (2014) showed that adult deaths lead to imperceptible effects on non-medical expenditures, with some studies finding no change and the others concluding a reduction or an increase in at least one items of non-medical consumption expenditures.

3. METHODOLOGY

3.1 Data and Sample Size

The study's target population was the population of various professions. A survey was conducted of the target population during the period from October 2019 to January 2020. The respondents have been selected using a convenient sampling method. The convenient sampling method is a non-probability sampling technique. A sample is defined as a smaller set of data that is chosen and/or selected from a larger population by using a predefined selection method. These elements are known as sample points, sampling units or observations. Creating a sample is an efficient method of conducting research as, in most cases, it is impossible or very expensive and time consuming to research the whole population and, hence, researching the sample provides insights that can be applied to the whole population. *This technique was selected because it helped in getting the basic data regarding this study. There are 100 respondents have been interviewed both in written and verbally through questionnaire.* In order to achieve the study's objectives, a) a teacher, b) a student, c) an officer, d) a microcredit client (businessman), f) an entrepreneur, g) a microcredit official banker, i) a financial analyst, and j) a grocery store were interviewed verbally. A questionnaire is a research instrument consisting of a series of questions for the purpose of gathering information from respondents. Questionnaires can be thought of as a kind of written interview. They can be carried out face to face, by telephone, computer or post. Questionnaires provide a relatively cheap, quick and efficient way of obtaining large amounts of information from a large sample of people. Data can be collected relatively quickly because the researcher does not need to be present when the questionnaires are completed. This is useful for large populations when interviews would be impractical. A Likert scale is a psychological measurement device that is used to gauge attitudes, values, and opinions. It functions by having a person complete a questionnaire that requires them to indicate the extent to which they agree or disagree with a series of statements. For instance, they could rate each item on a 1-to-5 response scale where: *The data was collected through face-to-face interviews over the period from October 2019 to January 2020.* The survey was aimed at collecting the respondents' occupations, demographics, household income and expenditure and credit- related information through a structured questionnaire. This study elicited information about the age, gender composition and level of education of the respondents' family members. The research section provided training on the technical terms and coding of the questionnaires and ways to carry out interviews and complete the information correctly. The objectives of the study were also clearly explained to them. Secondary data was gathered from a variety of sources, including journals and research papers, published or unpublished dissertations in this field, publications, newspaper reports, and Internet websites. To prepare the report, the collected data was analyzed using various types of software such as Ms-Excel, MS-Word, and so on. The SPSS software package was created for the management and statistical analysis of social science data.

3.2 Equation

The Standard Deviation shows the relation that set of scores has to the mean of the sample. There are situations when we have to choose between sample or population Standard Deviation. When we are asked to find SD of some part of a population, a segment of population; then we use sample Standard Deviation.

$$\mathbf{S.D.} = \sqrt{\frac{1}{n-1}\sum_{i=0}^{n}(x-\bar{x})^2}$$

3.3 Correlation Analysis

Pearson r correlation: Pearson r correlation is the most widely used correlation statistic to measure the degree of the relationship between linearly related variables. The following formula is used to calculate the Pearson r correlation:

$$r_{xy} = \frac{n\sum x_i y_i - \sum x_i \sum y_i}{\sqrt{n\sum x_i^2 - (\sum x_i)^2}\sqrt{n\sum y_i^2 - (\sum y_i)^2}}$$

Where

r_{xy}= Pearson r correlation coefficient between x and y

n= Number of observations

x_i= value of x (for i^{th} observation)

y_i= value of y (for i^{th} observation)

3.4 Multiple Regression Model

In this study regression models could be created as follows;

DOM= $\beta_0+\beta_1$AME + β_2ALSD+ β_3IRL+ β_4TDNUM+ β_5TIM+ β_6CARL+€.....(i)

MBDCB= β_0+ β_1CARL + β_2DOM+ β_3MUPP+ β_4MIE+ β_5MCE+ β_6MRPT+ β_7MBG+ β_8MRPOL+ β_9MIWE+€.....(ii)

NDM= β_0+ β_1CLRR + β_2IRL+ β_3TIM+ β_4TDNUM+ β_5FLMMA+€.....(iii)

Here,

DOM, MBDCB and NDM are dependent variables.

ALSD, AME, IRL, TDNUM, TIM, CARL, CARL, MUPP, MIE, MCE, MRPT, MBG, MRPOL, CLRR, IRL, TIM, TDNUM, FLMMA, MIWE are independent variables.

Where,

ALSD : The amount of loan satisfies the needs or demand
AME : Accessibility of Microcredit related to other loans is easy
CARL : There is a comparative advantage related to other loans
CLRR : Credit/Loan recovery Risk related to other loans are low
DOM : The Demand of Microcredit related to other loans is high
FLMMA : Financial law are strictly maintained by the Microcredit authority in Bangladesh
IRL : The level of interest rate related to other loans is low
MBDCB : Microcredit is beneficiary to the developing country like Bangladesh
MBG : Microcredit is beneficiary to the Government
MCE : Microcredit creates employment
MIE : Microcredit increase entrepreneur
MIWE : The use of Microcredit increase women empowerment
MRPOL : Microcredit reduces pressure on other loans

MRPT : Microcredit reduces poverty
MUPP : Microcredit used in Productive purposes
NDM : There is a negativity/disadvantage of Microcredit
TDNUM : Time duration related to the necessity of use of the Microcredit is perfect
TIM : The tolerability of installment of Microcredit related to other loans is low

4. RESULT AND DISCUSSION

Table 1 show that Microcredit is beneficiary to the developing country like Bangladesh (MBDCB) has a positive correlation with the variables of CARL, DOM, MUPP MIE, MCE MRPT, MBG and MIWE at 1% and 5% level of significance.

Table-1: Correlation of variables of **Microcredit is beneficiary to the developing country like Bangladesh**

Correlations

		MBDCB	CARL	DOM	MUPP	MIE	MCE	MRPT	MBG	MRPOL	MIWE
MBDCB	Pearson Correlation	1	.422**	.389**	.405**	.249*	.334**	.331**	.185	.328**	.446**
	Sig. (2-tailed)		.000	.000	.000	.013	.001	.001	.065	.001	.000
	N	100	100	100	100	100	100	100	100	100	100
CARL	Pearson Correlation	.422**	1	.385**	.303**	.347**	.278**	.356**	.167	.082	.301**
	Sig. (2-tailed)	.000		.000	.002	.000	.005	.000	.097	.420	.002
	N	100	100	100	100	100	100	100	100	100	100
DOM	Pearson Correlation	.389**	.385**	1	.249*	.028	.226*	.305**	.168	.143	.294**
	Sig. (2-tailed)	.000	.000		.012	.781	.023	.002	.095	.157	.003
	N	100	100	100	100	100	100	100	100	100	100
MUPP	Pearson Correlation	.405**	.303**	.249*	1	.437**	.384**	.231*	.268**	.396**	.472**
	Sig. (2-tailed)	.000	.002	.012		.000	.000	.021	.007	.000	.000
	N	100	100	100	100	100	100	100	100	100	100
MIE	Pearson Correlation	.249*	.347**	.028	.437**	1	.352**	.193	.189	.198*	.407**
	Sig. (2-tailed)	.013	.000	.781	.000		.000	.054	.060	.049	.000
	N	100	100	100	100	100	100	100	100	100	100
MCE	Pearson Correlation	.334**	.278**	.226*	.384**	.352**	1	.366**	.163	.167	.422**
	Sig. (2-tailed)	.001	.005	.023	.000	.000		.000	.106	.097	.000
	N	100	100	100	100	100	100	100	100	100	100
MRPT	Pearson Correlation	.331**	.356**	.305**	.231*	.193	.366**	1	.122	.141	.187
	Sig. (2-tailed)	.001	.000	.002	.021	.054	.000		.227	.162	.063
	N	100	100	100	100	100	100	100	100	100	100
MBG	Pearson Correlation	.185	.167	.168	.268**	.189	.163	.122	1	.396**	.362**
	Sig. (2-tailed)	.065	.097	.095	.007	.060	.106	.227		.000	.000
	N	100	100	100	100	100	100	100	100	100	100
MRPOL	Pearson Correlation	.328**	.082	.143	.396**	.198*	.167	.141	.396**	1	.316**
	Sig. (2-tailed)	.001	.420	.157	.000	.049	.097	.162	.000		.001
	N	100	100	100	100	100	100	100	100	100	100
MIWE	Pearson Correlation	.446**	.301**	.294**	.472**	.407**	.422**	.187	.362**	.316**	1
	Sig. (2-tailed)	.000	.002	.003	.000	.000	.000	.063	.000	.001	
	N	100	100	100	100	100	100	100	100	100	100

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Source: Software output.

Table 2 displays the regression result of equation of (i) in where, the researcher finds that R square (23.10%) of the demand of microcredit related to other loans and the remainder 76.90% of the demand of microcredit related to other factors.

Analysis of variance in table 3 indicates that at 5% level of significance, F –value 4.647 and p value 0.000<0.01 which is statistically has significant relationship because the dependent variable is associated with independent variable more significantly. Table 4 shows that if all the other things remaining constant then regression coefficient value 0 that result of the predicted constant value 1.995 effects on dependent variable. If the one unit improves of Accessibility of Microcredit related to other loans is easy (AME), then the demand of microcredit related to other loans increase for unstandardized and standardized coefficient 0.238 and 0.199 respectively and vice versa and also positively significant relationship exists between dependent and independent variable. Similarly, if the one unit improves of the amount of loan satisfies the needs or demand (ALSD) then the demand of microcredit related to other loans also decrease for unstandardized and standardized coefficient -0.167 and -0.247 respectively and vice versa and also negatively significant relationship exists between dependent and independent variable. If one unit improve The level of interest rate related to other loans is low (IRL) then the demand of microcredit related to other loans also decrease for unstandardized and standardized coefficient -0.011and -0.015 respectively and vice versa and also positively insignificant relationship exists between dependent and independent variable. Again, one unit improve Time duration related to the necessity of use of the Microcredit is perfect (TDNUM) with the demand of microcredit related to other loans increase for unstandardized and standardized coefficient 0.011 and 0.017 respectively and vice versa and also positively insignificant relationship exists between dependent and independent variable. Similarly, the tolerability of installment of Microcredit related to other loans is low (TIM) and there is a comparative advantage related to other loans (CARL) has effect on the demand of microcredit related to other loans.

Table 2 Regression of DOM

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.480[a]	.231	.181	.75135
a. Predictors: (Constant), CARL, AME, TIM, TDNUM, IRL, ALSD				

Source: Software output.

Table 3 ANOVA of DOM

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.740	6	2.623	4.647	.000[b]
	Residual	52.500	93	.565		
	Total	68.240	99			
a. Dependent Variable: The Demand of Microcredit related to other loans is high (DOM)						
b. Predictors: (Constant), CARL, AME, TIM, TDNUM, IRL, ALSD						

Source: Software output.

Table- 4 Coefficients of the DOM

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.995	.544		3.666	.000
	AME	.238	.116	.199	2.057	.043
	ALSD	-.167	.073	-.247	-2.282	.025
	IRL	-.011	.075	-.015	-.145	.885
	TDNUM	.011	.076	.015	.150	.881
	TIM	.093	.075	.125	1.236	.219
	CARL	.392	.095	.396	4.110	.000
a. Dependent Variable: DOM						

Source: Software output.

Table-5 Regression of MBDCB

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.623[a]	.388	.327	.57214
a. Predictors: (Constant), MIWE, MRPT, MRPOL, DOM, MIE, MBG, MCE, CARL, MUPP				

Source: Software output.

Table-6: ANOVA of MBDCB

ANOVA[s]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.699	9	2.078	6.347	.000[b]
	Residual	29.461	90	.327		
	Total	48.160	99			
a. Dependent Variable: MBDCB						
b. Predictors: (Constant), MIWE, MRPT, MRPOL, DOM, MIE, MBG, MCE, CARL, MUPP						

Source: Software output.

Table 5 shows that the Microcredit is beneficiary to the developing country like Bangladesh (MBDCB) has moderate positive relationship among), The use of Microcredit increase women empowerment (MIWE), Microcredit reduces poverty (MRPT), Microcredit reduces pressure on other loans (MRPOL), The Demand of Microcredit related to other loans is high (DOM), Microcredit increase entrepreneur (MIE), Microcredit is beneficiary to the Government (MBG), Microcredit creates employment (MCE), There is a comparative advantage related to other loans (CARL), Microcredit used in Productive purposes (MUPP). R square indicates that 38.80 % of the Microcredit is beneficiary to the developing country like Bangladesh (MBDCB) can be explained by the differences in the independent variable, the remainder 61.20% of Microcredit is beneficiary to the developing country like Bangladesh (MBDCB) is attributed to other factors. Adjusted R square is a modified version of R square that has been adjusted for the number of predictors in the model. Here in this model see that Adjusted R square is decreases because predictor improve the model by less than expected by chance. Analysis of variance in table 6 indicates that at 5% level of significance, F –value 6.347 and p value 0.000<0.01 indicates that Microcredit is beneficiary to the developing country like Bangladesh (MBDCB) is affected by the independent variables. The reason for the regression model show that the dependent variable association with more significant independent variable. Table 7 shows that if all the other things remaining constant then regression coefficient value 0 that result of the predicted constant value 1.140 effects on dependent variable. If the one unit improvement of CAR, DOM, MUPP, MCE, MRPT MRPO and MIWE, the MBDCB increases for unstandardized and standardized coefficient 0.181, 0.129, 0.099, 0.044, 0.066, 0.171, 0.196 and 0.217, 0.154, 0.111, 0.055, 0.109, 0.187, 0.221 respectively and vice versa. Table 8 shows that The negativity/disadvantage of Microcredit (NDM) has moderate positive relationship among Financial laws are strictly maintained by the Microcredit authority in Bangladesh (FLMMA), -the level of margin rate related to other loans is low (IRL), credit/Loan recovery risks related to other loans are low (CLRR), the tolerability of installment of microcredit related to other loans is low (TIM), time duration related to the necessity of use of the Microcredit is perfect (TDNUM).

R square, 14.20% indicates that the negativity/disadvantage of Microcredit (NDM) can be explained by the differences in the independent variable, the remainder 85.80% attributed to other factors. Analysis of variance in table 9 indicates that at 5% level of significance, F –value 4.446 and p value 0.001<0.01. is statistically significant and hence first null hypothesis is rejected, that means NDM is affected by the independent variables.

Table-7: Coefficients of MBDCB

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.140	.529		2.153	.034
	CARL	.181	.082	.217	2.192	.031
	DOM	.129	.081	.154	1.603	.113
	MUPP	.099	.094	.111	1.054	.295
	MIE	-.027	.085	-.032	-.321	.749
	MCE	.044	.078	.055	.560	.577
	MRPT	.066	.058	.109	1.154	.252
	MBG	-.087	.107	-.076	-.816	.417
	MRPOL	.171	.088	.187	1.946	.055
	MIWE	.196	.094	.221	2.079	.040
a. Dependent Variable: MBDCB						

Source: Software output.

Table 10 shows that if all the other things remaining constant then regression coefficient value 0 that result of the predicted constant value 1.741 effect on dependent variable. If the one unit improve of Credit/Loan recovery Risk related to other loans are low (CLRR), The level of interest rate related to other loans is low (IRL), Time duration related to the necessity of use of the Microcredit is perfect (TDNUM), then the There is a negativity/disadvantage of Microcredit (NDM) increase for unstandardized and standardized coefficient 0.141, 0.179, 0.249 and 0.168, 0.218, 0.292 respectively and vice versa and also positive relationship exists between dependent and independent variable and the level of interest rate related to other loans is low (IRL) and time duration related to the necessity of use of the Microcredit is perfect (TDNUM) has positive significant relationship with the negativity of Microcredit (NDM) Similarly, if the one unit improvement of the tolerability of installment of Microcredit related to other loans is low (TIM) and Financial law are strictly maintained by the Microcredit authority in Bangladesh (FLMMA) then there is a negativity/disadvantage of Microcredit (NDM) will decrease for unstandardized and standardized coefficient -0.015, -0.110 and -0.018, -0.117 respectively and vice versa and also negatively insignificant relationship exists between dependent and independent variable.

Table-8: Model Summary of NDM

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.437[a]	.191	.148	.88362
a. Predictors: (Constant), FLMMA, IRL, CLRR, TIM, TDNUM				

Source: Software output.

Table-9: ANOVA of NDM

ANOVA[s]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.357	5	3.471	4.446	.001[b]
	Residual	73.393	94	.781		
	Total	90.750	99			
a. Dependent Variable: There is a negativity/disadvantage of Microcredit (NDM)						
b. Predictors: (Constant), FLMMA, IRL, CLRR, TIM, TDNUM						

Source: Software output.

Table-10: Coefficients of NDM

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.741	.404		4.315	.000
	CLRR	.141	.087	.168	1.631	.106
	IRL	.179	.082	.218	2.186	.031
	TIM	-.015	.090	-.018	-.170	.866
	TDNUM	.249	.089	.292	2.801	.006
	FLMMA	-.110	.099	-.117	-1.107	.271
a. Dependent Variable: NDM						

Source: Software output.

5. Conclusion

This study may contribute to the guidelines to maintain the microcredit program to alleviate poverty levels and will help to progress in the individual's perception of this program. Setting sound macroeconomic policy that provides stability and adjusting bank regulations to facilitate deposit taking by microfinance institutions. The government should establish a wholesale fund to assist microfinance institutions in both business and in providing assistance. The loan amount, repayment period, and facilities should all be increased. The loan amount provided is sometimes insufficient for the clients.They may invest in long-term assets and then be unable to pay the installment. So the duration of the installment should be extended. Generally, they charge a declining but flat rate for the amortization amount. Many clients claim that they are unaware of the profit rate and thus seek the loan in the traditional manner. Some clients use microcredit for infrastructural or capital budgeting purposes and they feel a lack of liquidity. So, an increase in the maturity period for the amount of money has emerged for these types of clients.

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