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Economic & Social Impact of Microfinance: An Empirical Evidence from Bangladesh

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Keywords: *microfinance, savings, income, beneficiaries.*

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Economic & Social Impact of Microfinance: An Empirical Evidence from Bangladesh

Dr. Mosaddak Ahmed Chowdhury ^α, Dr. Syed Mohammad Khaled Rahman ^σ & Md. Abdul Gaffar Salman ^ρ

Abstract- This is an empirical study about the current situation and the economic and social impact of microfinance programs in Bangladesh with their respective significance. The findings reveal that the microfinance programs have important and significant effects on the beneficiaries in alleviation of poverty, generation of income, and savings. Microfinance programs also help to generate employment to a little extent, but it is still not up to the mark. The results show that microfinance service holders' savings and consumptions increased as well since they now have a better living standard. The conclusion prioritizes that microfinance programs need to be accelerated more for socio-economic development, economic expansion and above all, poverty eradication. Proper implementation of the policies is needed and more training programs have to be initiated for the expansion of activities.

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I. INTRODUCTION

Microfinance is a widely used term in present days throughout the globe. It has been used as an income generation tool for poorer section of population and effectively running in many third-world countries. This tool has great significance in alleviating poverty and vulnerability of the poorer groups through shattering the disastrous cycle of poverty (Chowdhury, 2009). Microfinance is a kind of financial service that is provided to unemployed or poor people or groups who would otherwise have no other way of getting benefitted by any other financial services. It is a variety of services for low-income individuals, mostly women and young clients. The goal of microfinance is to aid poor people by giving them an opportunity to be self-sufficient and economically empowered through different ways (K. A. Islam, 2016).

Microfinance activities encompass providing small amount of loans because the clients of MFIs are low-income earners and usually have limited access to any other financial services. Loans, savings, insurance, and remittances are included in these financial services. Loans are provided for different purposes like microenterprise establishment and development.

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Microfinance institutions also charge interests on loans that are offered to their clients.

Microcredit is not a new concept. Money-lenders, credit institutions and credit unions had been practicing it since the 19th century (M. W. Rahman, Luo, Ahmed, & Xiaolin, 2012). However, the modern and new concept of microcredit had become popular in Bangladesh in the 1970s. The microfinance programs had been pioneered by Bangladesh and it is now regarded as a poverty alleviating program around the globe (Mizanur & Ahmad, 2010). According to the modern concept, microfinance itself is a provision of microcredit combining with savings, insurance, remittance, health, education, skill training, and social awareness. It is a combination of financial and non-financial services designed especially for the poor people that are usually not provided by conventional financial institutions. These services increased the potentials of the poor individuals towards entrepreneurship, generation of income, being self-reliant and self-sufficient, creation of employment, generation of wealth and finally, reduction of poverty (M. W. Rahman et al., 2012).

II. OVERVIEW OF MFIS

The primary objective of the MFIs is providing financial services (credit and savings) to the poor in order to relieve them from financial constraints and help eradicating poverty. Irrespective of being profit-oriented or not, each MFI tries to maximize its repayment performance. Both the MFIs and the borrowers are greatly associated with high repayment rates. The high interest rates enable the MFIs to decrease the financial cost of loans and allow more borrowers to have access to it by cutting the interest rate charged to the borrowers. Improved repayment rates can also help decrease the reliance on incentives of the MFIs which would ensure sustainability (Godquin, 2004). There are generally three types of institutions that are operating microfinance activities in Bangladesh. These are (i) non-governmental organizations (such as Grameen Bank, BRAC, ASA etc.), (ii) specialized and commercial banks, (iii) other government-sponsored microfinance activities that are being operated through BRDB, BARD, RDA and some other departments and ministries of the government. They include social welfare, youth and sports, women and children affairs (Ali & Ahmed, 2014).

It has been over three decades in Bangladesh that microfinance services are being provided to the poor households through microfinance institutions in full bloom (Khalily, 2004). Bangladesh achieved worldwide reputation through microfinance activities initiated by Grameen Bank - a specialized financial institution that won noble peace prize. In Bangladesh, a broad number of MFIs started operating to grant collateral-free loans to the poor, being motivated by the incessant success of Grameen Bank and for the failure of other formal financial institutions to reach the poor rural people (Nabi et al., 2015). Microfinance industry is matured in current years, and therefore, competition has increased too among well-known MFIs in Bangladesh. As poor individuals have more choices to select MFIs for borrowing money, the number of borrowers from multiple institutions has increased tremendously. Because of that, there are lots of indebted poor people in Bangladesh and this becomes a threat for MFIs and microfinance industry (Yuge, 2011).

Now, as we know, a good number of recognized microfinance institutions are operating in Bangladesh. In addition, many smaller MFIs have started their operations in Bangladesh in small-scale and many others have applied for license simultaneously. Among them, Bangladesh Rural Advancement Committee (BRAC), Grameen Bank and Association for Social Advancement (ASA) are recognized as the leading microfinance institutions in Bangladesh (Mizanur & Ahmad, 2010). Since 1990s, Bangladesh experienced gigantic expansion of microfinance programs and activities throughout the country which brought the focus of all important stakeholders such as donors, helping partners and policy-makers around the world (Bhuiya, Khanam, & Rahman, 2016). It is also proved that Bangladesh is

ahead of providing microfinance services in comparison with other countries (Saeed, 2014). The impact of microfinance programs in poverty alleviation has been recognized all over the world too. The UN announced the year 2005 as 'UN International Year of Microcredit' throughout the globe. It was expected that through the combined efforts of governments, MFIs, NGOs as well as the people of the nations, the curse of the poverty will soon be eradicated from the world (Ahmed, 2009).

However, microfinance has become a great tool for poverty eradication in the developing and least-developed countries, but there rarely is a poor country found which is not engaged in microfinance programs. Many achievements and recognitions were claimed about the effects of microfinance activities and a foreign observer cannot but wonder at the wide range of benefits brought by microfinance. For many socio-economic reasons, Bangladesh was one of the poorest countries of the world and about half of the total population lived below the poverty line at a time. Therefore, poverty reduction and generation of rural employment were the top priorities of Bangladesh government. So, the government initiated broad approach to alleviate poverty by emphasizing economic independence, macroeconomic stability, empowerment and support for MFIs. In this way, MFIs became widespread throughout the country and helped tremendously in order to alleviate poverty and to expand the economy (Ahmed, 2009). The leading MFIs of Bangladesh are Grameen Bank, BRAC and ASA (Mizanur & Ahmad, 2010). We will first look at the overall microfinance sector of Bangladesh and then we will have a brief discussion about BRAC, Grameen Bank and ASA. The below table demonstrates the recent microfinance sector of Bangladesh.

Table 1: The Microfinance Sector of Bangladesh

Particulars	2014	2015	2016	2017	2018
Licensed MFIs	742	752	758	783	805
Branches	14,730	15,609	16,284	17,120	18,196
Employees	109,628	110,781	127,820	139,526	153,919
Clients (in Million)	25.11	26.00	27.79	30.82	31.22
Borrowers (in Million)	19.42	20.35	23.28	24.94	25.40
Loan Disbursement (in Billion BDT)	462.00	634.00	787.00	1,046.00	1,201.91
Amount of Savings (in Billion BDT)	106.99	135.41	171.19	216.71	262.96

(Source: Microcredit Regulatory Authority Database, 2018)

As we can see, there were a huge number of licensed MFIs working in Bangladesh in 2014. Still new MFIs are getting license to start their microfinance activities. The number of branches continued to increase recent years. Clients and borrowers are also increasing day by day as well. Therefore, the loan disbursements of MFIs and the amount of savings are also experiencing growth in Bangladesh as shown in the above table.

III. LITERATURE REVIEW

There are many available and existing research papers about microfinance programs in Bangladesh. Microfinance has been playing significant roles in alleviating poverty since 1970s and because of this, microfinance activities got a huge reputation throughout the country (Bhuiya et al., 2016). In spite of poverty alleviation, microfinance is helping in employment generation, accumulation of assets, empowerment of women, mobility of household members, vulnerability reduction and increase of total consumption (Hasan & Malek, 2017). An empirical analysis over eight districts of Bangladesh on the impact of microfinance programs revealed that the perceived change of eradicating poverty by microfinance activities is more than 75% and over 50% of them permanently overcame the poverty line (Khatun, Islam, & Majumder, 2012). Similarly, at that time, another household panel data analysis showed that the overall effects of microfinance are positive and it is significantly eliminating poverty in Bangladesh (Imai & Azam, 2012). Trying to find out the impact of the leading MFIs in Bangladesh like Grameen Bank, ASA and BRAC on the beneficiaries, a paper revealed that there is a positive relationship between access to microcredit and poverty reduction and after taking microcredit loan, the poverty level of the participants decreased (Al Mamun, Hasan, & Rana, 2013). Microfinance is assisting in women empowerment too. Microfinance has some positive impacts under certain circumstances as it increased women's economic independence and social position (Nawaz, 2017). Women's revenue and resources also experienced growth and this continued to play a greater role in improving women's financial liberty and feeling of self-possession in Bangladesh as revealed by another study (Hassan & Saleem, 2017).

Finding the impact of micro financing in Bangladesh, a study revealed that most of the women become socio-economically empowered through microfinance programs by acquiring self-esteem, business skills, decision-making capability and high confidence level (K. A. Islam, 2016). It is also showed that the women who are benefitted through microfinance activities make much decision on children's education, medical facilities, visiting relatives, purchasing things, consumption expenditure etc. They also feel more secure and strong in family as well as in society (M. M.

Rahman, Khanam, & Nghiem, 2017). It can be said that microcredit programs may not be able to empower women in terms of entrepreneurship but women are feeling that they are empowered. Because by microcredit programs, they try to fulfill their basic needs and wants as it is particularly a blessing for women in Bangladesh, a mental relief for them and works as an awareness building tool (Huque, 2017).

In income generation and crisis coping, microfinance plays a vital role. Bangladesh achieved greater socio-economic advancement in recent decades and it is perceived that microfinance programs have immense impact on this improvement (Mia, 2017). Microfinance has so far focused on rural households in respect to income, consumption, savings, asset building, health and schooling programs (Bhuiya et al., 2016). Microfinance institutions are playing a great role in financing disadvantaged people in society who are disqualified to get loans by formal banks (Mazumder, 2015). MFIs help generating income and consumption levels of poor households, decreasing income inequality, and enhancing welfare. This reminds that microfinance is really an important and effective development tool for poverty reduction and income distribution (Mahjabeen, 2008).

To assess the impact of microfinance on rural development, a study found that the income of households, productivity of livestock and crops, employment and expenditure increased significantly because of the impact of invested money by microfinance (Mizanur & Ahmad, 2010). The MFIs are contributing significantly for the prosperity and development of socio-economic sectors of Bangladesh as well as they are operating within the context of national planning for the development of Bangladesh (Roy, 2017). Surprisingly, in the context of rural Bangladesh, people's access to microfinance decreases the number of borrowings from informal sources. The poor households get more benefits by eliminating their dependence on borrowing from informal sources (A. Islam, Nguyen, & Smyth, 2015). MFIs can make expansions and sustain their income generating activities for the purpose of taking advantages of diversification benefits. Once an institution is in self-sustainable position, it holds a better opportunity to meet its core objectives of financial inclusion since much resources can be utilized to serve poor people effectively (Zamore, 2017).

IV. STATEMENT OF THE PROBLEM

It has recently been found that in spite of reducing poverty, microfinance programs increased income generation and consumption, but microfinance failed to support sustainable business enterprises for some reasons (Dutta & Banerjee, 2018). Microfinance institutions also ensured economic empowerment to a

greater degree. There is a huge need for arranging credit plus programs by MFIs in order to achieve more empowerment of their beneficiaries (Mazumder, 2015). Some papers also disclosed that microfinance programs could not properly contribute for socio-economic development and alleviation of poverty as much as expected earlier. In another study, it was found that though the effects of microfinance on income and assets were not significant at all in Bangladesh but microcredit itself has significant impact on consumption or expenditure (Churchill, Danso, & Appau, 2016). Microfinance loan is sometimes used as a source for consumption expenditure. Sometimes the credit-holder spends the money in non-economic activities. So, at the repayment installment, the poor credit-holder has to borrow money from any other source and thus things become more complicated for him (R. Rahman, Nasrin, & Islam, 2015). Therefore, the study focusses on the current microfinance programs of Bangladesh and whether these programs are effectively working as expected or not.

V. OBJECTIVES

The general objective of the study is to assess the impact of microfinance programs on the beneficiaries in Bangladesh. Specific objectives are as follows:

- To describe the demographic profile of beneficiaries of the microfinance programs.
- To explore the impact and significance of microfinance programs on economic condition of beneficiaries through income, savings and employment generation.
- To evaluate the impact and significance of microfinance programs on social condition of beneficiaries through expenditure, living standard and decision making.

VI. METHODOLOGY

This is an empirical study with qualitative and quantitative data about the impact of microfinance in Bangladesh. The primary sampling units were the MFIs and the secondary sampling units were the beneficiaries of selected MFIs in Sylhet district of Bangladesh. The sample items were the local branches of Grameen Bank, BRAC and ASA in Sylhet district of Bangladesh. Purposive and convenient sampling techniques were used in selecting MFI branches and the beneficiaries of micro-credit loans. The sample size of the beneficiaries was 60 from the three local branches of Grameen Bank, BRAC and ASA. Semi-structured and self-administered questionnaire was used to collect primary data in order to prepare this paper.

VII. RESULTS & DISCUSSIONS

a) Demographic Profile of Beneficiaries

Table 2: Gender Specification

Gender Specification		Frequency	Percent	Cumulative %
Valid	Male	35	35.0	35.0
	Female	65	65.0	100.0
Total		100	100.0	

(Source: Field Survey, 2019)

Table 3: Age Distribution

Age Distribution		Frequency	Percent	Cumulative %
Valid	Within 25 years	3	5.0	5.0
	26-40 years	24	40.0	45.0
	40+ years	33	55.0	100.0
Total		60	100.0	

(Source: Field Survey, 2019)

Table 4: Educational Status

Educational Status		Frequency	Percent	Cumulative %
Valid	None	22	36.7	36.7
	Primary	16	26.7	63.3
	Secondary	16	26.7	90.0
	Higher Secondary	6	10.0	100.0
Total		60	100.0	

(Source: Field Survey, 2019)

Table 5: Age of Membership

Age of Membership		Frequency	Percent	Cumulative %
Valid	Less than 2 years	3	5.0	5.0
	2-5 years	13	21.7	26.7
	5+ years	44	73.3	100.0
Total		60	100.0	

(Source: Field Survey, 2019)

From the above tables, it is seen that the majority of beneficiaries are female and 95% of respondents' age is above 25 years. Maximum proportion of respondents (55%) are 40 and above age group. It is to be noted that about 63.3% of beneficiaries' education status is below secondary level. Only 10% of beneficiaries have passed higher secondary level. Regarding age of membership,

maximum proportion of respondents (73.3%) has membership of five or more years with MFIs.

b) Impact of Microfinance Programs on Economic Condition of Beneficiaries

The following table shows the amount of loans received by the beneficiaries from the MFIs. It is seen that about 90% respondents received a loan of more than BDT 10,000.

Table 6: Amount of Loans

Amount of Loans		Frequency	Percent	Cumulative %
Valid	Within BDT 10 thousand	6	10.0	10.0
	BDT 11-20 thousand	26	43.3	53.3
	BDT 20+ thousand	28	46.7	100.0
Total		60	100.0	

(Source: Field Survey, 2019)

The following table shows the amount of monthly income of the respondents. It is seen that

maximum proportion of respondents has a monthly income below BDT 10,000.

Table 7: Monthly Income

Monthly Income		Frequency	Percent	Cumulative %
Valid	Within BDT 10 thousand	24	40.0	42.9
	BDT 11-20 thousand	12	20.0	64.3
	BDT 21-40 thousand	17	28.3	94.6
	BDT 40+ thousand	3	5.0	100.0
	Total	56	93.3	
Missing		4	6.7	
Total		60	100.0	

(Source: Field Survey, 2019)

Table 8: Economic Condition before Taking Loans

Economic Condition before Taking Loans		Frequency	Percent	Cumulative %
Valid	Good	10	16.7	17.5
	Average	31	51.7	71.9
	Poor	16	26.7	100.0
	Total	57	95.0	
Missing		3	5.0	
Total		60	100.0	

(Source: Field Survey, 2019)

Table 9: Economic Condition after Taking Loans

Economic Condition after Taking Loans		Frequency	Percent	Cumulative %
Valid	Very Good	10	16.7	17.9
	Good	46	76.7	100.0
	Total	56	93.3	
Missing		4	6.7	
Total		60	100.0	

(Source: Field Survey, 2019)

Table 8 and 9 show the economic condition of beneficiaries before and after taking loans. It is seen that number of respondents in good economic condition has increased from 10 to 46 and 10 respondents move from

good to very good economic condition which indicates that microfinance programs have positive impact on economic condition.

Table 10: Income Generation after Taking Loans

Income Generation after Taking Loans		Frequency	Percent	Cumulative %
Valid	Much increased	4	6.7	7.0
	Increased	47	78.3	89.5
	Average	6	10.0	100.0
	Total	57	95.0	
Missing		3	5.0	
Total		60	100.0	

(Source: Field Survey, 2019)

Table 11: Savings Generation after Taking Loans

Savings Generation after Taking Loans		Frequency	Percent	Cumulative %
Valid	Much increased	7	11.7	12.3
	Increased	44	73.3	85.6
	Average	6	10.0	100.0
	Total	57	95.0	
Missing		3	5.0	
Total		60	100.0	

(Source: Field Survey, 2019)

Table 12: Employment Generation after Taking Loans

Employment Generation after Taking Loans		Frequency	Percent	Cumulative %
Valid	Increased	21	35.0	36.8
	Average	36	60.0	100.0
	Total	57	95.0	
Missing		3	5.0	
Total		60	100.0	

(Source: Field Survey, 2019)

From table 10 and 11, it is seen that both income and savings have increased due to microfinance programs to a significant extent. The proportions of respondents whose income and savings have increased

are 89.5% and 85.6% respectively. Besides, as to table 12, about 35% respondents' employment opportunities have been increased.

c) Impact of Microfinance Programs on Social Condition of Beneficiaries

Table 13: Educational Expenses of Children after Taking Loans

Educational Expenses of Children after Taking Loans		Frequency	Percent	Cumulative %
Valid	Much increased	2	3.3	3.5
	Increased	47	78.3	86.0
	Average	8	13.3	100.0
	Total	57	95.0	
Missing		3	5.0	
Total		60	100.0	

(Source: Field Survey, 2019)

Table 14: Health Expenses of Family Members after Taking Loans

Health Expenses of Family Members after Taking Loans		Frequency	Percent	Cumulative %
Valid	Increased	48	80.0	84.2
	Average	9	15.0	100.0
	Total	57	95.0	
Missing		3	5.0	
Total		60	100.0	

(Source: Field Survey, 2019)

Table 15: Living Standard after Taking Loans

Living Standard after Taking Loans		Frequency	Percent	Cumulative %
Valid	Much increased	3	5.0	5.3
	Increased	48	80.0	89.5
	Average	6	10.0	100.0
	Total	57	95.0	
Missing		3	5.0	
Total		60	100.0	

(Source: Field Survey, 2019)

From table 13 and 14, it is seen that both educational and health expenses have increased for majority of respondents (86% and 84.2%) which implies that their solvency have increased. Increased

expenditure leads to better standard of living and table 15 confirmed that about 89.5% of respondents' living standards were better after taking microfinance.

Table 16: Role in Taking Decision about Family Matters after Taking Loans

Role in Taking Decision about Family Matters after Taking Loans		Frequency	Percent	Cumulative %
Valid	Much increased	3	5.0	5.3
	Increased	39	65.0	73.7
	Average	12	20.0	94.7
	Declined	3	5.0	100.0
	Total	57	95.0	
Missing		3	5.0	
Total		60	100.0	

(Source: Field Survey, 2019)

Table 16 reveals that the beneficiaries' decision-making role in family matters has increased to a significant extent, which is 73.7%. Since microfinance programs are generating income, there is an increase of savings as well as consumption expenditure. The service-holders of microfinance programs are spending more for their children's education, their health expenses also increase after taking loans from microfinance institutions. It is also found that after taking loans, the occurrence of decision-making role about family matters are not much increased. In most of the families of the respondents, they make decision about their family matters jointly with all members of the family.

d) *Assessing Socio-Economic Impact by Simple Linear Regression Analysis*

The models, which are used to assess socio-economic impact of microfinance, are as follows:

$$IG = \alpha + \beta.MA \dots\dots\dots (1)$$

$$SG = \alpha + \beta.MA \dots\dots\dots (2)$$

$$EC = \alpha + \beta.MA \dots\dots\dots (3)$$

$$SG = \alpha + \beta.IG \dots\dots\dots (4)$$

$$CE = \alpha + \beta.IG \dots\dots\dots (5)$$

$$LS = \alpha + \beta.IG \dots\dots\dots (6)$$

$$LS = \alpha + \beta.MI \dots\dots\dots (7)$$

Where, α =constant, β =Co-efficient of independent variable and IG=Income Generation, SG=Savings Generation, EC=Economic Condition, CE=Creation of Employment, LS=Living Standard, MA=Membership Age, MI=Monthly Income.

Table 17, 18, and 19 below respectively demonstrate the coefficients of independent variables, the model summaries, and analysis of variances that have been found significant. In the 1st, 2nd and 3rd models, it is shown that, the more the age of membership in MFIs, the more possibility there will be for income generation, savings generation and better

economic condition. The 4th, 5th and 6th models show that income generation in microfinance institutions leads to more savings generation, employment creation and better living standard. The 7th model shows that the more the monthly income is, the more there will have a better living standard.

More elaborately, these models tell us that if the age of membership for beneficiaries from MFIs is increased by 1%, then income generation will be

increased by 26%, savings generation will be increased by 56% and economic condition will be better than before by 41%. Also, if income generation is increased by 1%, then savings generation will be increased by 71%, creation of employment will be increased by 48% and living standard will be better than before by 29%. It is also seen that if monthly income is increased by 1%, then the living standard will be better than before by 13%.

Table 17: Coefficient Table

Models	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.327	.264		5.017	.000
	MA	.261	.095	.346	2.734	.008
	Dependent Variable: IG					
2	(Constant)	.473	.246		1.920	.060
	MA	.555	.089	.645	6.254	.000
	Dependent Variable: SG					
3	(Constant)	.707	.206		3.439	.001
	MA	.411	.074	.599	5.543	.000
	Dependent Variable: EC					
4	(Constant)	.541	.251		2.150	.036
	IG	.708	.121	.620	5.854	.000
	Dependent Variable: SG					
5	(Constant)	1.661	.295		5.632	.000
	IG	.477	.142	.413	3.361	.001
	Dependent Variable: CE					
6	(Constant)	1.459	.251		5.805	.000
	IG	.292	.121	.309	2.409	.019
	Dependent Variable: LS					
7	(Constant)	1.815	.121		14.953	.000
	MI	.125	.056	.297	2.223	.031
	Dependent Variable: LS					

From the above table, it is seen that the p-value of t-statistic of all coefficients of independent variables are below 0.05, which means that all independent

variables have significant impact on dependent variables of their respective models.

Table 18: Model Summaries

Models	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.346	.120	.104	.399	.120	7.477	1	55	.008
	Predictors: (Constant), MA, Dependent Variable: IG								
2	.645	.416	.405	.371	.416	39.111	1	55	.000
	Predictors: (Constant), MA, Dependent Variable: SG								
3	.599	.358	.347	.310	.358	30.720	1	55	.000
	Predictors: (Constant), MA, Dependent Variable: EC								
4	.620	.384	.373	.381	.384	34.274	1	55	.000
	Predictors: (Constant), IG, Dependent Variable: SG								
5	.413	.170	.155	.447	.170	11.294	1	55	.001
	Predictors: (Constant), IG, Dependent Variable: CE								
6	.309	.095	.079	.381	.095	5.803	1	55	.019
	Predictors: (Constant), IG, Dependent Variable: LS								
7	.297	.088	.070	.397	.088	4.942	1	51	.031
	Predictors: (Constant), MI, Dependent Variable: LS								

Table 19: Analysis of Variances

	Models	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.188	1	1.188	7.477	.008
	Residual	8.741	55	.159		
	Total	9.930	56			
Dependent Variable: IG, Predictors: (Constant), MA						
2	Regression	5.395	1	5.395	39.111	.000
	Residual	7.587	55	.138		
	Total	12.982	56			
Dependent Variable: SG, Predictors: (Constant), MA						
3	Regression	2.955	1	2.955	30.720	.000
	Residual	5.291	55	.096		
	Total	8.246	56			
Dependent Variable: EC, Predictors: (Constant), MA						
4	Regression	4.984	1	4.984	34.274	.000
	Residual	7.998	55	.145		
	Total	12.982	56			
Dependent Variable: SG, Predictors: (Constant), IG						
5	Regression	2.260	1	2.260	11.294	.001
	Residual	11.004	55	.200		
	Total	13.263	56			
Dependent Variable: CE, Predictors: (Constant), IG						
6	Regression	.844	1	.844	5.803	.019
	Residual	7.998	55	.145		
	Total	8.842	56			
Dependent Variable: LS, Predictors: (Constant), IG						
7	Regression	.780	1	.780	4.942	.031
	Residual	8.050	51	.158		
	Total	8.830	52			
Dependent Variable: LS, Predictors: (Constant), MI						

Table 18 and 19 show the fitness tests of the models. It is seen from table 19 or ANOVA table that p-value of F-statistic of all the models is below 0.05, which means that the models are significant at 5% significance level.

From the results of the models, it is found that microfinance programs are playing vital roles in income and savings generation, which are statistically significant. It is also found that the living standards of microfinance service-holders are significantly increasing day by day. Microfinance programs help generating more employment opportunities and thus economic expansion emerges significantly. The MFIs are providing training for service-holders too and there some other services except lending activities like opening DPS account, financing for microenterprise development, providing educational loans and scholarships, life insurance programs, providing health and medical facilities.

VIII. RECOMMENDATIONS

In a glimpse, the specific recommendations are the followings:

- There is no doubt to recommend that microfinance activities should be expanded more and more for the expansion of socio-economic development.

- Since microfinance programs are generating income and savings, it should be the prime activity of microfinance institutions to find other ways for maximization of the benefit.
- As it is found in the study, creation of employment by microfinance activities is still not up to the mark. It needs to have more focus.
- The road communication system should be more developed by the authority so that the officials cannot find it difficult to provide their service to the remote areas of the country.
- Above all, as microfinance programs are playing major role in alleviating poverty, the government should focus more on the implementation of proper policies that can help more poor people to participate in microfinance activities.

IX. CONCLUSION

As found in the study, microfinance programs have important and significant impacts on the beneficiaries in alleviation of poverty, generation of income and savings. Microfinance programs help generating employment to a little extent in Sylhet district of Bangladesh; but it is still not up to the mark. Microfinance service holders' savings and consumptions also increased as well as they now have

a better living standard. Therefore, microfinance programs should be accelerated more for economic expansion, socio-economic development, and above all, poverty eradication. Finally, there is always an opportunity for conducting research in this field in large-scale. If there is a large-scale research with enough time and resources, there will be more opportunity to find matters that should more be focused on by the government as well as microfinance institutions.

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