Microcredit and Sustainable Livelihood: An Empirical Study of Islamic and Conventional Credit on the Development of Human Capital of the Borrowers in Bangladesh

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This study investigates the impact of microcredit on sustainable livelihood of the borrowers of Grameen Bank and Islami Bank microfinance schemes and compares the contributions between these two of MFIs in Bangladesh. Towards the achievement of its objectives, the present study has used descriptive statistical and econometric techniques. The study found that access to credit has contributed towards improving Sustainable livelihood of the borrowers of both of MFIs respectively. Furthermore, the findings also revealed that Islami Bank microcredit respondents have a better record of using credit for income generating activities for reducing vulnerability as well as improving livelihood status compared to the Grameen Bank microcredit respondents. The present study recommends for policy considerations for the successful and effective operation of microfinance programs through the increase of controlling authority to participate in the operation of loan uses, the operation of household expenditure as well as overall household activities in Bangladesh.

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