



THE EFFECTIVENESS OF MICRO-CREDIT (*HIJRAH*) SELANGOR IN WIDENING THE MIDDLE-INCOME EARNERS

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ABSTRACT

This study examines on how participants' education, economy and satisfaction contribute to the effectiveness of microcredit scheme known as Hijrah Selangor in widening the middle-income earners group in Selangor. To examine this, a cluster sampling consisting of 210 respondents, who reside and operate their businesses in three different zones, were given a

set of questionnaires to gather the information. Several different statistical analyses are conducted with the main analysis being a multiple linear regression analysis. The results indicate that all studied variables; education, economy, and satisfaction have a positive relationship with the effectiveness of Hijrah Selangor. Economy has the most significant relationship and the highest effect on the effectiveness of Hijrah Selangor. The increase in monthly household income of the participants before and after joining the program is found to justify the objective of Hijrah Selangor in widening the middle-income earners group as shown in the demographic data where the monthly household income above RM10,000 has increased significantly from 2% to 60% after joining the program. This research proves that microcredit scheme of Hijrah Selangor is effective in widening the middle-income earners in Selangor and that Hijrah Selangor should be given a top priority in the State Government's agenda to promote and improve the socio-economic growth in Selangor.

Keywords: Hijrah Selangor; microcredit; effectiveness; education; economy; satisfaction

INTRODUCTION

Microcredit is considered by numerous experts and supporters to be an incredible asset to mitigate destitution (Schroeder, 2020). It is recognized as one of the most effective global poverty alleviation tools due to its significant role to the economic and social growth in terms of income generation, job creation, empowerment and improvement in the living standards of the low-income and poor people. In Malaysia, microfinance programme has been implemented since 1987 as one of the poverty eradication strategies by the Federal Government. There are principally four MFIs in Malaysia; Amanah Ikhtiar Malaysia (AIM), Yayasan Usaha Maju (YUM), Economic Fund for National Entrepreneurs Group (TEKUN), and People's Credit Cooperation (KKR). AIM, YUM, and TEKUN are completely subsidized by the government to help accommodate to people with financial needs throughout Malaysia (Kassim, Kassim, & Othman, 2019). These institutions provide significant microfinance services to the poor throughout the country and receive full support from the Federal Government.

In realizing that micro enterprise significantly contributes to the country's economic growth, starting from 2006, the Federal Government with the cooperation of Bank Negara has encouraged the involvement of financial institutions in providing microcredit to the public. However, financial institutions tend to set a stringent requirement on the eligibility of microcredit applications. With the introduction of microcredit, loans are more accessible to the poor due to waived requirements for any collateral or guarantors. Besides, microcredit

also offers more lenient income requirements, in some cases even not requiring any proof of income.

Since then, several states in Malaysia had replicated the AIM model to provide financial assistance to the poor for them to set up small businesses and labelled it as a state's initiative in eradicating poverty as well as providing financial assistance as an encouragement to those seeking to start or expand their business. For example, Perak has introduced microcredit loan scheme run by its state welfare arm Yayasan Bina Upaya Darul Ridzuan (YBU). Since its establishment until 2012, YBU had successfully reduced the rate of hardcore poverty in Perak from 0.5% to 0.2% (The Malaysian Reserve, 2017). In bridging inequality, Penang has also introduced its version of microcredit loan scheme known as *Projek Titian Saksama Rakyat* (PTSR). PTSR is managed by the Penang Development Corporation with assistance from Universiti Sains Malaysia.

MICROCREDIT SCHEMES IN SELANGOR

On 2nd September 2010, the Selangor Government under the realm of Pakatan Rakyat had launched Selangor Microcredit Scheme or *Skim Pinjaman Mikro Kredit* (SKIMSEL) as one of the initiatives under the *Merakyatkan Ekonomi Selangor* (MES) program. SKIMSEL was established with an aim to reduce household poverty particularly in rural areas and improve the economic status of the people of Selangor through economic and social development. The products offered under SKIMSEL are economic financing scheme; education financing scheme; and government staff loan scheme.

Subsequently, on 3rd March 2011, the Selangor Government launched the Urban Poor Microcredit Scheme or *Skim Mikro Kredit Miskin Bandar* (MiMBAR) to help low-income residents increase their income by managing their own small businesses. MiMBAR gives successful applicants a small loan of up to RM5,000 (without interest and management fee), to start their own businesses. MiMBAR also helps increase family income to pass the Level of Poverty Line or *Paras Garis Kemiskinan* as well as sharing the wealth of the state with the needy urban poor. Under MiMBAR, two forms of assistance were provided for the successful applicants. In the microcredit assistance portion, cash loans that ranges from RM1,000 to RM5,000 were provided with monthly repayment period over twelve (12) months. In addition, MiMBAR also provides equipment and product assistance to the borrowers such as burger kiosks, ice-blender kiosks, goat milk products, canopies, mineral water etc. This serves as an alternative to cash loans for those looking to expand their businesses.

Both schemes were inaugurated by Yayasan Dar Al Qard Al Hasan Selangor, a company limited by guarantee and incorporated in Malaysia on 8th July 2010, with an allocation of RM50 million and RM20 million respectively granted by the State Government.

The microcredit program under MES was expanded further with the launched of Farm Women Microcredit Scheme or *Skim Mikro Kredit Wanita Ladang* (WALA) which was launched on 15th April 2012. The main aim of WALA is to increase the income of women farm workers. At the same time, this special scheme helps them to step out of the cocoon of poverty. The State Government allocated RM5 million to fund the program, among others, to assist women farm workers to apply for loans to start small businesses. The scheme is expected to help women and single mothers who are forced to bear the burden of raising families in the fields.

HIJRAH SELANGOR

In a statement by YAB Dato' Seri Mohamed Azmin Ali during the tabulation of Selangor's State Budget 2015 on 24th November 2014, YAB Dato' Menteri Besar Selangor said that poverty has to be eradicated in the State of Selangor in a quest to achieve social justice and fair distribution. As an advanced state, Selangor should set its own poverty level that is more realistic as opposed to the Federal Government's rigid poverty measure of household income below RM520. If Selangor use Federal Government's poverty measure, then Selangor is already free from the shackles of hardcore poverty. Even at the National Average Poverty Line of RM830 for households, Selangor still recorded poverty incidence of 0.4%. Therefore, the State Government has set a realistic and responsible level of RM1,500 as a poverty line in Selangor. According to these criteria, 30% of Selangor residents are below the poverty line. Recognizing this fact, the State Government had increased its efforts to uphold this group through the introduction of several microcredit schemes. This has led the State Government to increase the fund for their entrepreneurship through SKIMSEL and MiMBAR. The State Government had raised the ceiling allocation for both funds to RM100 million from just RM70 million previously. All of these programs were integrated under the Hijrah Selangor initiative, which was launched on 24th March 2015 to propel the poor into middle-income groups.

Hijrah Selangor, a microcredit scheme, is an Action Research Project (*Projek Penyelidikan Tindakan*) with the main purpose is to widen the middle class in Selangor, as envisaged by YAB Dato' Menteri Besar in his 2015 budget speech. This vision is expected to be achieved through the implementation of additional capital disbursement systems which are efficient to small businesses in the Selangor. Yayasan Hijrah Selangor (YHS), previously known as Yayasan Dar Al Qard Al Hasan, has been tasked by the State Government to establish an easy and fast capital withdrawal system that is not a burdensome to hawkers and small business entrepreneurs who often face difficulties and problems with capital shortage and the opportunity to obtain additional capital due to various factors. Hence,

YHS's primary activity is to provide micro loans to eligible people of Selangor with the aim of increasing household income through economic activity.

The following objectives are identified as the goals of Hijrah Selangor:

- (a) offer additional capital that is easy, fast and not burdensome;
- (b) encourage saving culture among the participants;
- (c) create an entrepreneurial network of operators;
- (d) build visionary entrepreneurs who are competitive skilled and proactive;
- (e) creating new business opportunities;
- (f) creating new entrepreneurs among low income people

Schemes Offered by Hijrah Selangor

For the initial phase, the Hijrah Selangor program offers four (4) microcredit schemes to its entrepreneurs ranging from loans of RM1,000 up to RM50,000. In measuring the entrepreneurs' track record, the record of loan repayment will be the primary basis. For entrepreneurs who have shown satisfactory credit discipline in the initial phase, they will be offered a long term Hijrah Selangor scheme. The summary of the schemes and the repayment period are tabulated in Table 1. The repayment period varies by the amount of loan taken ranging from a minimum of six (6) months to a maximum of thirty-six (36) months; offering flexibility to the borrowers. Whilst collection of loan repayments together with savings is held weekly by Hijrah Selangor's officer at the place of business.

Table 1: Repayment Period

Type of Scheme	Loan Amount	Repayment Period
Scheme 1	1,000 - 5,000	25 weeks (6 months)
Scheme 2	6,000 - 10,000	50 weeks (12 months)
Scheme 3	15,000 - 20,000	100 weeks (24 months)
Scheme 4	30,000 - 50,000	150 weeks (36 months)

Scheme 1- for eligible borrowers

Scheme 2,3, and 4 – for existing borrowers who have completed the initial loan cycle with satisfactory credit discipline

Savings and Investments under Hijrah Selangor

Apart from the schemes offered by Hijrah Selangor, YHS has also introduced the Basic Loan Savings concept where every entrepreneur who obtains a loan under Hijrah Selangor is obliged to deposit a savings of 0.25% every week which will be deposited in the AI-

Mudharabah Account. The Al-Mudharabah Account is a general investment concept under the Interest-Free Banking System (SPTF). The amount has been included in the weekly collection amount and will then be invested into the Hijrah Cooperative. The total savings together with the investment profit can be withdrawn after ceasing to become Hijrah Selangor's entrepreneur.

PROBLEM STATEMENT

All through the world particularly among creating nations, destitution has been one of the questionable issues. The destitute individuals cannot step out of the casing of neediness since they basically do not have the monetary way to do as such. Hermes and Lensink (2007) critically pointed out that microcredit does not reach out to those in hardcore poverty. These group of people including the low income earners are denied credit by conventional banking system due to unemployment as well as lack of stable income and verifiable credit history. Malaysia, being a developing country, is not an exception from this issue. To alleviate the poverty, the government of Malaysia has allocated funds to various ministries to undertake poverty eradicating programs such as the New Economic Policy (NEP), National Development Policy (NDP), etc. In addition to introducing various policies, the government also supported programs such as microcredit scheme. Although there are currently approximately 35,420 participants under Hijrah Selangor, this cannot be used as a yardstick to measure effectiveness or even the success of the program. It is debatable whether Hijrah Selangor microcredit program has been effective in enhancing not only middle income group but also participants' household income and their overall well-being. Thus, the main research objectives of this research are to identify the effectiveness of Hijrah Selangor in widening the middle income earners in Selangor and its relationship with participants' education, economy and satisfaction.

LITERATURE REVIEW

Microfinance was created to move cash-flow to creating nations so as to prod the procedure of little scope business enterprise (Nair and Njolomole, 2020). Mainly the services are delivered by socially oriented non-governmental organizations (NGOs). Notably studied on Grameen Bank of Bangladesh as one and foremost microcredit institution that have created an impact of effectiveness of its microcredit among women in Bangladesh. Rahman, & Khan, (2013) measured beneficiaries' attitudes towards the microcredit program among beneficiaries for more than three (3) years. Their objective is to explore beneficiaries' attitudes towards their welfare under the microcredit program. Borrowers were asked questions about incomes, training, economic status, repayments, business skills, technical

skills, social awareness and children's education. Henceforth, microfinance warrants public attention because it is very difficult to supply financial service to the target population. Since theories of development stressing strong local institutional capacity predict a strong correlation with sustainability (Snow, 1999), microcredit program provides sustainable development in society especially among the recipients.

Mazumder and Wencong (2013) probed on Bangladesh's access to microcredit for rural poor and its impact on their poverty situation among 360 microcredit recipients. They discovered that that positive impact was found on income, assets endowment, standard of living and poverty reduction. Utilization of credit appears to be a major factor for credit recipients raising income. Meanwhile, Mahmud, Mohamed, Ismail, Shamsudin & Hilton (2007) assessed whether the participants were benefited or not as a result of intervention of the microcredit project among 330 recipients in Bangladesh under the agriculture diversification and intensification project. The result showed that years of schooling, training provided by the program, mobility of borrowers, and household size were significantly related with borrowers' betterment as dependent variable.

The microcredit program that was operated by non-profit foundations in Hungary started in 1992 and has been successful in eradication of hardcore poor problems. In Romania, Ministry of Labour and Ministry of Economy received public funds from the World Bank through microfinance institutions (MFIs) in order to implement the programs for entrepreneurship development. In a survey conducted by Underwood (2006) among European Union, 106 organizations responded to the questions on monitoring the outcome of microcredit finance to small business. The results of the study showed that microcredit viewed as positively in terms of job created, income increased, business profitability and changes in assets. In Southeast Asia, many countries have replicated the Grameen Bank model in eradicating poverty. In Indonesia, the sample of 60 micro-enterprises were monitored by Widiyanto (2007) in Central Java. The results were very encouraging whereby the effectiveness, impact and social benefit of the program among the micro enterprises not only by increasing technical efficiency but also the well-being of the microcredit recipients.

In Malaysia, there were a number of studies conducted on the microcredit program funded by the Federal Government such as AIM and TEKUN. In order to evaluate the economic performance of recipients participating in the microcredit program of AIM, econometric model was applied (Duasa & Md Saad, 2011). Several proxies were used for the economic performance, such as level of earnings/income, ratio of spending to income and value of assets as dependent variable. The independent variables used were education level, age, amount of loan, source of income, and ownership of assets. The study found that

the economic performance of AIM participants was significantly determined by the amount of money borrowed from AIM.

Other factors found to influence the respondents' economic performance was education level, age, gender, assets owned before joining AIM, and area of residence. Because level of education was found to contribute significantly to the economic performance of AIM participants, it was suggested that AIM should work to educate its recipients. In particular, it should provide business training.

Mokhtar (2011) found that most microfinance borrowers in Malaysia lack knowledge on how to manage their business income. Most did not know how to separate their business income, between their business and personal consumption. Many borrowers allocated a large portion of their income for personal consumption and only a minimal amount for their businesses. Many used their businesses to financially support their daily living expenses and made little effort to expand their businesses.

According to the human capital theory, investments in education and job skills (training) are a part of an individual's capital (Xiao, 2002), future earnings potential, and an important input to economic growth and development (Siqueira, 2007). Ployhart, Weekley, and Baughman (2006) further expand on the theory by including knowledge, skills, abilities, and other competencies that are important to an organization's employee. As a result, this has increased an individual's cognitive capacity including productivity, as well as an individual's earnings, which has ultimately become a measure of human capital (Olssen, Codd, & O'Neill, 2004). However, researchers are still focused on validating the human capital theory by focusing on measuring the increased income earning potential at the individual, community, and national levels (Lehrer, 2004; Gibbs, 2005; Seo, 2005).

However, a study of Teaching Entrepreneurship: Impact of Business Training on Microfinance Clients and Institutions by Karlan and Valdivia (2011) found that basic business training to pre-existing clients of a microcredit program does not lead to higher profits or revenues on average for the primary econometric specification that compares outcome variables, controlling for baseline values. Difference-in-difference specifications, on the other hand, find a positive but small impact on enterprise revenues. Clients also report engaging in some of the exact activities being taught in the program: separating money between business and household, reinvesting profits in the business, maintaining records of sales and expenses, and thinking proactively about new markets and opportunities for profits. Finally, client retention is also increased, which has positive implications for the sustainability of the financial institution. Still, cannot disentangle whether it is associated with the high value they put on the training or an effective increase in sales. The business training did not have a significant impact on registration for formal business licenses, did not increase the

number of sales locations, and did not induce entrepreneurs to keep records to payments of workers, start a new business, reduce the proportion who reported having problems in their business, or increase the number of business that reported planning innovations.

An exploratory survey was conducted by Rahman, Luo, Ahmed, and Xiaolin (2012) to analyze the microfinance customers' (borrowers') perception about the microfinance schemes adopted by different microfinance institutes (MFIs) in Bangladesh. The study covered three MFIs such as Grameen Bank (GB), Bangladesh Rural Advancement Committee (BRAC) and Association for Social Advancement (ASA). Convenience sampling technique was adopted in data collection process and the customers were asked to evaluate different objects selected in the questionnaire. The respondents ranked the attributes on a number of itemized five-point scale ratings bounded at each end by one of two bipolar adjectives. Based on the study, borrowers' experience suggests that income level has not been increased. This implies that MFIs are not effective to achieve their objectives of raising income and reducing poverty. It also shows that the factors such as membership criteria, costs of credit, income level and religious restrictions are observed significant to affect microfinance consumer experience in Bangladesh.

From these literatures, it can be summarized that educational trainings are essential to the micro entrepreneurs to ensure business continuity and sustainability. Economic activities generated through the assistance of microcredit helps to improve the living standards and well-being of the participants as it provides stability. In terms of satisfaction of the participants, most studies showed that the microcredit programs have fulfilled their expectations, thus, it can be considered that the microcredit programs are effective in certain aspects. Generally, microcredit has successfully improve the participants' economic and social conditions.

FRAMEWORK OF STUDY

The conceptual framework is depicted to show the relationship between Hijrah Selangor and the participants' education, economy and satisfaction of microcredit is shown in Fugure 1 below.

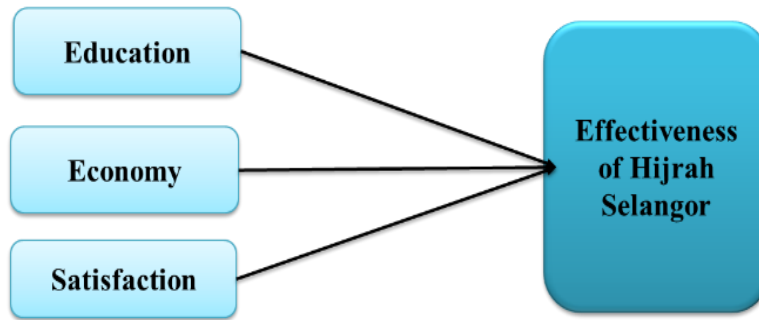


Figure 1: Conceptual Framework

RESEARCH HYPOTHESES

With reference to the conceptual framework, these are three hypotheses formulated:

H1: There is a significant relationship between effectiveness of Hijrah Selangor and participants' education

H2: There is a significant relationship between effectiveness of Hijrah Selangor and participants' economy

H3: There is a significant relationship between effectiveness of Hijrah Selangor and participants' satisfaction

RESEARCH METHODOLOGY

This study is using quantitative approach and exploratory research design. A cluster sampling had been applied in this research consisting of 210 respondents, out of which 197 responded. YHS has divided its participants according to three (3) zones: Zone 1 (North of Selangor), Zone 2 (Central of Selangor) and Zone 3 (South of Selangor). Zone 1 consists of eight (8) branches, Zone 2 and Zone 3 consist of seven (7) branches respectively as tabulated in Figure 2 below.

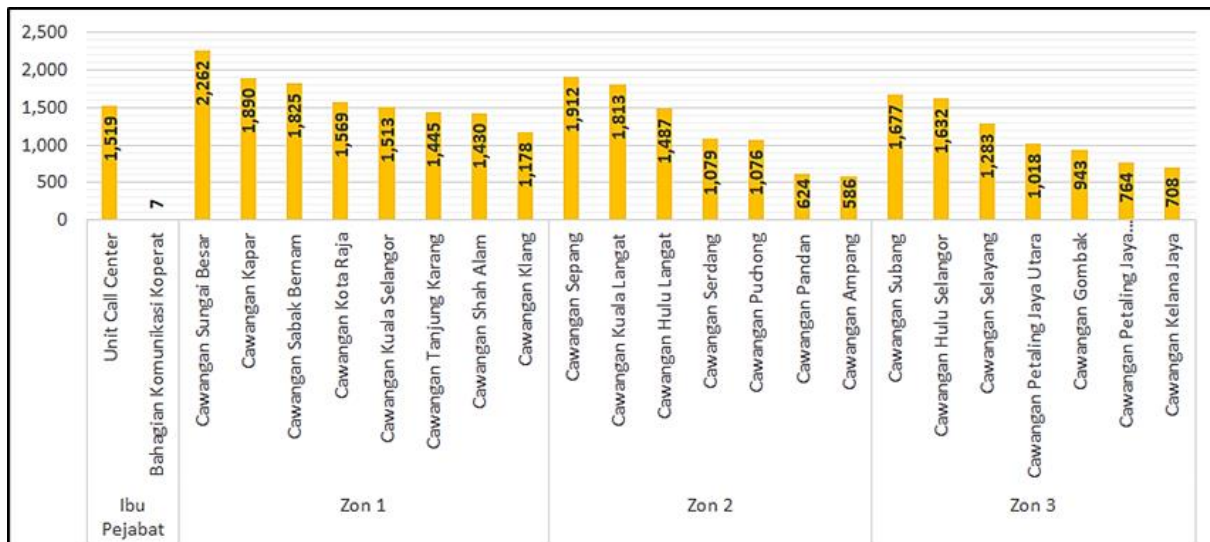


Figure 2: Division of Zones under Hijrah Selangor

THE INSTRUMENT

Structured questionnaire was used as an instrument for this study that includes open and close-ended questions in order to achieve the objectives of the study. The researchers structured the question based on the relevant variables that were to be investigated. 210 sets of questionnaires were distributed equally to three (3) zones, and for every zone, the questionnaires were further distributed to three (3) selected branches mainly located in urban areas. In general, the questionnaire mainly focuses on the demographic of the respondents, the impact of the trainings offered, their income generation, and their perceptions toward this program. YHS has assisted in the distribution and collection of the questionnaires to/from the respondents. Five Likert scale is adopted to measure the satisfaction level of the respondents ranging between "*strongly disagree*", "*agree*", "*no comment*", "*disagree*", and "*strongly agree*". The choices also have an option where they can be neutral by choosing "*no comment*" in the questionnaire. Data from the questionnaires were then analysed using SPSS 22.0. Pearson correlation was used to identify the correlation between the effectiveness of Hijrah Selangor and the education, economy and satisfaction of the participants.

STATISTICAL ANALYSIS

There were two tests employed to evaluate the data: descriptive and multiple regression analysis. The descriptive analysis describes the respondents' demographic profile. Multiple regression analysis is employed to determine which factors contribute to the response variables and to determine the strength of the relationship between one dependent variable or response variable usually denoted by Y and a series of other changing variables known

as independent variables or predictors denoted by X. A significant variable will show a significance value or *p-value* less than 0.05 at 5% significance level and the strength of relationship are measured by coefficient of determination, R² value. The higher the R², the more variance is explained by the predictors.

RESULTS

This study examined the factors affecting the effectiveness of Hijrah Selangor. Out of 210 questionnaires that were distributed, only 197 are returned for further analysis, a response rate of 94%. Table 2 presents the demographic profile of the participants. The result shows that majority of the participants were female, representing 60.4% of the sample. Males were in the minority, representing 43.3% of the sample. The marital status of respondent shows that majority of the participants are married (71.6%), single (17.8%) and divorce (10.7%). Majority of the respondents were self-employed (84.8%) and most of the respondents' incomes before joining Hijrah Selangor were below than RM 2,000 (47.7%). However, based on the result, it clearly shows that after joining Hijrah Selangor, the respondents' income has increased from below RM2,000 to the income group ranges between RM2,001 to RM5,000 (40.1%). In summary, it was observed that micro entrepreneurship are dominated by female participants. This shows that the female participants' play a major role in helping to increase their household income.

Table 2: Demographic Profile

Characteristics	Frequency
Gender	
Male	78 (39.6%)
Female	119 (60.4%)
Participants Location	
Zone 1	78 (39.6%)
Zone II	61 (31.0%)
Zone III	58 (29.4%)
Marital Status	
Married	141 (71.6%)
Divorce	21 (10.7%)
Single	35 (17.8%)

Business Sector	
Public Sector	5 (2.5%)
Private Sector	18 (9.1%)
Self-Employed	167 (84.8%)
Others	6 (3%)
Individual Income (Before joining Hijrah)	
Below RM 2,000	94 (47.7%)
RM 2,001 to RM 5,000	79 (40.1%)
RM 5,001 to RM 10,000	21 (10.7%)
Above RM 10,000	2 (1.0%)
Individual Income (After joining Hijrah)	
Below RM 2,000	12 (6.1%)
RM 2,001 to RM 5,000	92 (46.7%)
RM 5,001 to RM 10,000	65 (33.0%)
Above RM 10,000	16 (8.1%)

Regression analysis is then employed to determine which independent variables that have a relation with the dependent variable. This analysis will confirm which factors (independent variables) have relationship with the effectiveness of Hijrah Selangor.

Table 3: Regression Analysis

Variable	Standardized Coefficient Beta	Sig**.	VIF	R2
Effectiveness				.340
Education	.117	.047	1.276	.121
Economy	.411	.000	1.544	.303
Satisfaction	.163	.029	1.606	.202

Table 3 shows the multiple regressions of the independent variables; (1) participants' education, (2) participants' economy and (3) participants' satisfaction on the dependent variable; effectiveness of Hijrah Selangor. The R² will give us a chance to perceive what rate of fluctuation in the reliant variable is accounted by the majority of the autonomous factors all things considered. In regression, the R² coefficient of assurance is a factual process of how

well the regression line approximates the genuine information focuses. In light of Draper and Smith (1998) study, an R^2 of 1 show that the regression line totally fit the information. In addition, adjusted R^2 is thought to be more exact measure than R^2 to clarify the result of independent factors towards dependent factors. 34.0% of the effectiveness of Hijrah Selangor scheme has been significantly explained by the participants' education, economy and satisfaction while the remaining 66.0% were explained by other factors.

Based on Table 3, it is found that there was a significant relationship between effectiveness of Hijrah Selangor with the factor of participants' education ($p= 0.047$), participants' economy ($p= 0.000$) and participants' satisfaction towards Hijrah Selangor ($p= 0.029$). To evaluate the model, a diagnostic checking was done onto the model and it is found that there is no multi-collinearity (relationship among the predictors) occurs in the data as the variation inflation rate which is less than five (5).

The variance inflation factors (VIF) measure how much the variance of the estimated regression coefficients is inflated as compared to when the predictor variables are not linearly related. Range for VIF: VIF = 1 (Not correlated), $1 < VIF < 5$ (Moderately correlated) and $VIF > 5$ to 10 (Highly correlated). Based on this research, the data obtained show that each independent variable has a moderate correlation with the dependent variable. Hence, the suggested model is shown below:

Participants' Education +0.117 *Participants' Economy* +0.411, and *Participants' Satisfaction* +0.163.

Based on this regression results, R^2 (R squared) value is 0.340 which indicates that the 34.0 % of the effectiveness of Hijrah Selangor is affected by participants' education, economy and satisfaction; whereas another 66.0% of the effectiveness of Hijrah Selangor is affected by other factors that are not within the scope of this study.

CONCLUSION AND RECOMMENDATION

The main objective of this paper is to examine on how education, economy and satisfaction contribute to the effectiveness of Hijrah Selangor in widening the middle-income group. Theory and findings show that microfinance has created an impact on micro entrepreneurs' determinant of income through the effect of duration of loans received, amount of loans and number of employees. This study strengthens and deepens our understanding of the Hijrah Selangor and how the program can be effective through evaluation from participants' education, economy, and satisfaction.

This study also provides a conceptual relationship between effectiveness and the participants' education, economy, and satisfaction. It is found that, education, economy, and satisfaction have a positive relationship with the effectiveness or success of Hijrah Selangor. The results of this study indicate that economy has the highest effect on the effectiveness of the Hijrah Selangor. Several statistical analyses including multiple linear regression analysis found a positive relationship between participants' education, economy and satisfaction and the effectiveness or success of Hijrah Selangor. Based on the regression analysis, it is found that there was a significant relationship between effectiveness of Hijrah Selangor with the factor of participants' education ($p=0.047$), participants' economy ($p=0.000$) and participants' satisfaction towards Hijrah Selangor ($p=0.029$). Thus, the null hypotheses were rejected, and the alternative hypotheses were confirmed. The conclusion behind the rejection of the null hypotheses was due to the net positive effect of participants' education, economy, and satisfaction on the effectiveness or success of the program. Therefore, education, economy, and satisfaction are associated with the effectiveness or success of the Hijrah Selangor microcredit program.

It is recommended for Hijrah Selangor to consider increasing the loan amount to above RM50,000 with longer repayment period so that the existing micro entrepreneurs with good credit discipline would be able to expand their business into a larger scale and at the same time, enjoy the flexibility in repaying the loan at their convenience to give time for their business to generate returns. However, the existing policies, guidelines and standard operating procedures have to be strengthened to ensure punctuality in the repayment as well as the procedures or actions to be taken for delinquency in repayment. Another recommendation is for YHS to provide motivational courses and specific business skill-based trainings that are relevant to the participants' business apart from the current basic trainings provided to develop business competencies and acumen. A coaching and mentoring program by the successful micro entrepreneurs through sharing of experiences would also be beneficial to aspiring micro entrepreneurs for advice, guidance and support as well as transfer of knowledge. This is in line with the vision of YHS's Executive Chairman, YB. Dato' Dr. Mansor Othman, during an interview session conducted on 15th March 2018 that increased in the loan amount will be implemented along with the frequency and variety of the skilled-based trainings to the participants to further enhance their knowledge in managing their business. In addition to this, he added, that the repayment period and motivational courses will be re-evaluated. It would likewise be intriguing to see, with further exploration, how much addition will be made on the participants' household income with the execution of the proposed proposals.

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