
**THE EFFECT OF CONSUMER LOANS ON PUBLIC SECTOR
EMPLOYEES IN WEST BANK USING ELSI SHORT FORM**

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Abstract

This study aimed to introduce the impact of consumer loans on the standard of living of public sector employees in the West Bank using ELSI Short Form, The researcher has used the descriptive method and interviews in order to achieve the objectives of this study, as this method fits the current study in terms of providing detailed data on the different variables. While the study population consisted of all workers of public sector in West Bank, the researcher selected-Non-Probability purposive sample out of Bank of Jordan in Ramallah city considering it as the economic capital of Palestine and a major center including employees from all over the West Bank, The researcher also used (ELSI Short Form) to measure the standard of living, which is one of the models of indicators to measure the standard of living, and then the questionnaire was distributed randomly into two categories. The sample was consisted of (100) public sector employee, (50) borrowers and (50) non-borrowers, After analyzing the results of the survey and the study, the results relatively revealed that the standard of living for employees who do not have loans are relatively better than those who have actually take out a loan, in addition, the results showed that there is statistically significant effect at the level of significance ($\alpha \leq 0.05$) between the net income of the borrowers and non-borrowers of the public sector employees in West Bank, which means any increase of one unit on the net income will lead to improve Borrowers and non-borrowers standard of living. In addition, the results showed differences related to place of resident (City or Camp), where the value of differences were Statistically significant in favor of the first category (City), while there was no differences with the other study variables. The study concluded with a set of recommendations, starting by prioritizing granting consumer loans based on the client needs through designing programs that take into consideration the functional, geographical and demographic diversity, in addition to spreading and raising awareness of banking facilities, policies and terms, finally, by putting an effective regulatory system established by Authority of Monetary on the consumer loans at all levels, to ensure and monitor its continuing effects on the economy and its implications on the standard of living.

Keywords: Consumer Loans, Standard of Living, the Economic Living Standard Index Short Form (ELSISF)

1. General framework for the study

1.1. Introduction:

The study believes that Palestine as a part of the global economic system and through a series of facilities in consumer loans, has contributed to crystallizing a lifestyle for the borrowers that help to meet their needs improving the standard of living in the short term, Some community groups also believe that the credit facilities are a strong point through which they can raise the social level in a way that does not affect them through scheduling their debts in the medium or long term, Where the priorities of borrowers differ, but it is considered necessary at the present time, This is because the income, which ranges at medium levels, is unable to fulfill all the requirements of social and economic life.

1.2. Statement of the problem of the Study:

The expansion of banks operating in Palestine in granting loans to customers in order to buy durable goods, apartments and cars, has raised concerns about the increase in credit risks due to default of borrowers and the resulting problems for the banking sector (Asset Devaluation) and for the borrowers themselves, and these concerns were linked to the fact that the majority of borrowers are working in official civil and military institutions in the Palestinian Authority, Which suffers from a continuous deficit in its budget, which is caused by instability of the financial transfers of customs and tax revenues, which are transferred by the Israeli Ministry of Finance, Some believe that the expansion of granting consumer loans leads to the anchoring of a Western consumption pattern that is not desirable, especially in light of the difficult conditions of occupation that the citizens of Palestine live in. Some also believed that the expansion in granting consumer loans was dominant over the share of commercial loans for the purposes of trade and investment and as a result over the economic growth in general. (Mas, 2013, page6).

The value of the credit facilities granted by banks operating in Palestine during the year 2018 amounted to \$ 8.42 billion, (\$ 8432.3 million). (Palestinian Monetary Authority 2018, page 50), and it is what constitutes a decline of its percentage (% 3.2) Comparing with the previous year.

The current study will discuss the effect of consumer loans on the standard of living for the employees in the public sector according to borrowers and non-borrowers and their implications on the standard of living for both groups.

And the study problem is summarized in the following main question: What is the effect of consumer loans on the standard of living of public sector employees working in the West Bank, using ELSI Short Form?

1.3. Purposes of the Study:

The first purpose of the study: Identifying the impact of consumer loans on the standard of living of public sector employees in the West Bank by using **ELSI Short Form**, And it is branched out by several goals are:

The Second main purpose of the study: Detecting the extent of the existence of statistically significant differences between the average responses of the individuals of the study sample due

to the following personal characteristics (gender, age group, marital status, type of residence, residence place, status (take out a loan, did not take out a loan)).

The Third main purpose of the study: Presenting results, including recommendations, on the impact of consumer loans on the standard of living of public sector employees working in the West Bank, using ELSI Short Form Contribute to raise the level of efficiency of using credit facilities in the Palestinian economy, in a way that improves the quality of life of the Palestinian citizen.

1.4. Study hypotheses:

The study aims to examine the following hypotheses:

The first main hypothesis: There is no relationship with statistical evidence at the level of significance ($\alpha \leq 0.05$) between consumers Loans and the standard of living for borrowers and non borrowers of the public sector employees working in the West Bank.

Sub hypotheses:

First sub-Hypothesis: is no relationship with statistical significance at the level of significance ($\alpha \leq 0.05$) between net income and the standard of living for borrowers and non borrowers of the public sector employees in West Bank.

Second sub-Hypothesis: is no relationship with statistical significance at the level of significance ($\alpha \leq 0.05$) between the number of family members and the standard of living for borrowers of the public sector employees in West Bank.

Third sub-Hypothesis: is no relationship with statistical significance at the level of significance ($\alpha \leq 0.05$) between the income deduction and the standard of living for borrowers of the public sector employees in West Bank.

Fourth sub-Hypothesis: is no relationship with statistical significance at the level of significance ($\alpha \leq 0.05$) between the level of satisfaction from taking out the consumer loan and the standard of living for borrowers of the public sector employees in West Bank.

Fifth main hypothesis: There are no statistically significant differences at the level of significance ($\alpha \leq 0.05$) among the average responses of the study sample individuals towards the direction of the standard of living, according to the variables of the personal study (gender, age group, marital status, type o residence, place of residence)

(1.8) study variables:

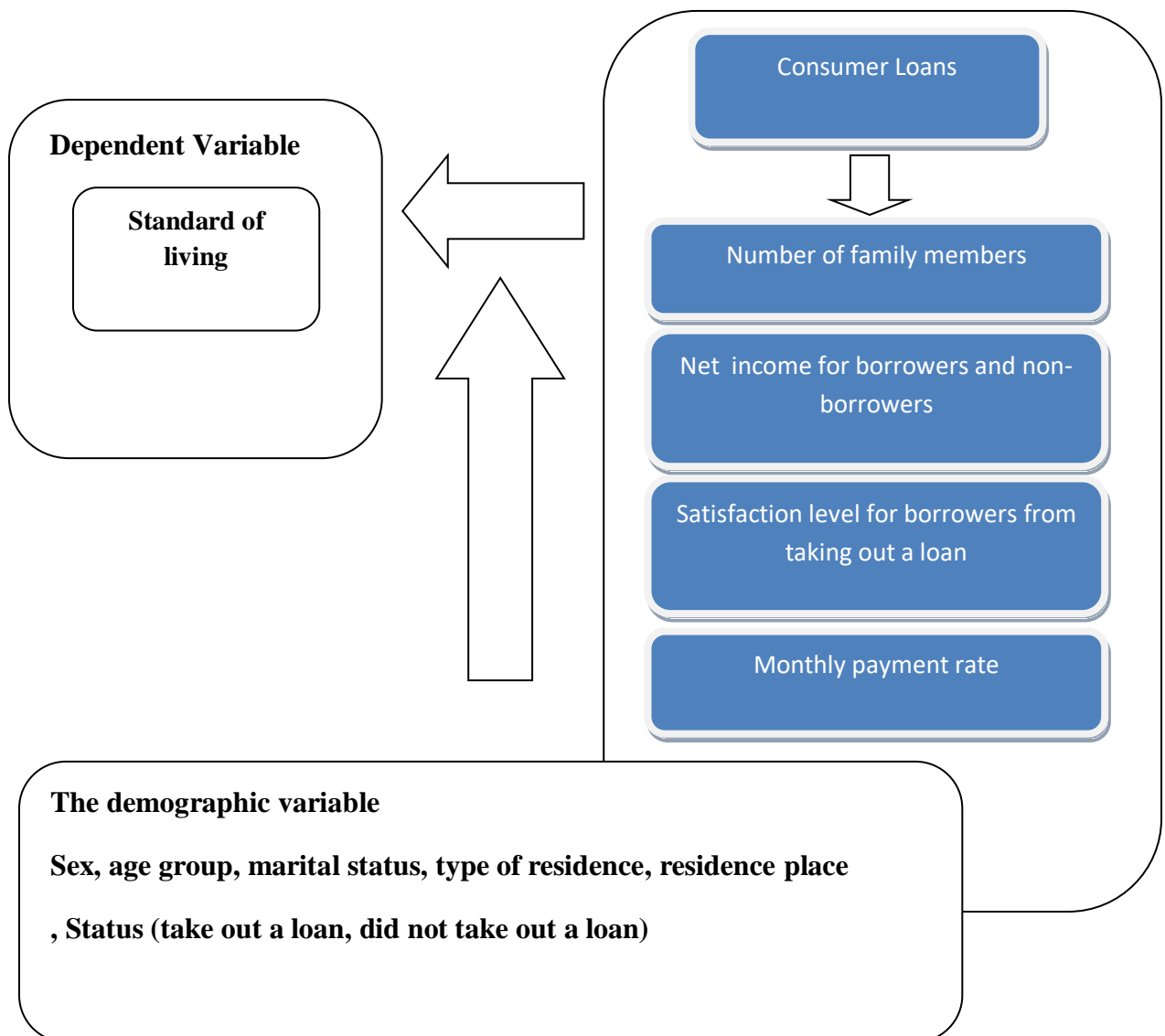
The current study includes several variables, which are as follows

1. Independent Variables

- Net income for borrowers and non-borrowers.
- Consumer Loans.

- Number of family members.
 - Level of satisfaction for borrower with taking out a consumer loans.
 - The percentage of deduction from the borrower’s income.
2. **Dependent Variable:** The standard of living of public sector employees in the West Bank.
3. **Demographic Variables:** (gender, age group, marital status, type o residence, and place of residence)

Figure (1.1): Study model



Source: Prepared by the researcher by reviewing the previous studies.

2. The Theoretical framework and previous studies

This chapter discusses two topics. The first topic is the theoretical framework of the Palestinian banking sector, credit facilities, and consumer and personal loans. and also discusses the standard of living and a brief about the scale used in the study, and the second topic is the previous studies, so that previous literature related to the topic of the study is presented and has been commented on.

2.1 Consumer Loans in Palestine:

Recent official data showed that the clearing crisis that the Palestinian government has suffered since last February. It pushed towards curbing the growth of consumer loans provided by the Palestinian banking sector. According to the Palestinian Monetary Authority data, the total bank lending in the field of consumer sectors reached 1.334 billion by the end of the second quarter of 2019. Some countries in the world encourage consumer loans to stimulate domestic production it is a positive lending for productive economies, In addition, the total consumer loans during the next period of last year (the second quarter of 2018) amounted to \$ 1,332 billion, meaning that lending to consumer sectors grew by one million dollars. By the end of the second quarter of 2019, it amounted to about \$8.941 billion, and the Economic Department held a survey based on the data of the Monetary Authority, which stated that the share of consumer loans out of the total loans amounted to 14.92% of the total loans (including the government). (Al eqtesadie,2019).

2.2. Standard Of Living:

(The social and human sciences are replete with many expressions, which have many concepts and dimensions to expressed it. The standard of living as a concept with social and economic dimensions and may extend to reach cultural dimensions is the concept that may refer to the gross domestic product, or consumer goods or individual income, and despite the many definitions of the concept, **we present the most prominent concepts common and expressing the standard of living, including:**

- (Howard and Mangus) cited on the definition of (Faith and Williams), who defined the standard of living as a consumer model that can be described on the basis of goods and services with specific quantitative and qualitative characteristics, as well as (Carle C.Zimmerman) pointed that the standard of living is considered a type of behavior, which represents the dominant values present in the way of life, and it is the group of individual and collective behavior that is integrated with the purpose of satisfying needs (Akilah, 2013,page13)
- A concept used to denote at the economic level of an individual, family or community, and it can be inferred through the value of goods and services produced or consumed by an individual, family or community during a specific period of time, and it is usually measured by an annual standard and according to (Dr.Qadri Jamil) indicating the standard of living as a qualitative indicator based on the two quantitative indicators, and it concerned: the price index, the wage index, and according to (the United Nations Development Program), the standard of living index is mainly expressed through the

human development index that is based on a set of dimensions: Potential age, degree of education, per capita share of domestic income. The standard of living expresses the economic, cultural, health and social level that an individual, family, or community lives in and it relates to the availability, quality and ability to take out goods and services, including the surrounding environmental conditions related to the infrastructure and public services (Abu koshk,2017.page7).

- (Elizabeth) indicated that the standard of living refers to the most material and consumed things, and it is the sum of the satiated needs and not the outcome of the available things, and (Thomas D. Alice Hoyt) stresses the importance of social values and customs as an important part of the standard of living, and he believed that the standard of living reflects in many cases the realistic distribution of real income in the formulation of goods, services and benefits (Akila, 2013,page13).
- The standard of living statistically expresses the amount of goods and services consumed by an individual in a given unit of time. An increase or decrease in goods consumed actually means an increase or decrease in the standard of living, whether it is at the individual or family level (Jawda, 2007,page49).

2.3.2. Indicators and standards of living standard:

The standard of living index expresses the group of parts that make up it: income rate, educational level, health, business rate, it is an integrated socio-economic measure of the living condition of each country or region (Akila, 2013, page2), in addition to income and consumption index. There are multiple non-monetary indicators such as the level of nutrition, children birth and mortality rates, life expectancy at birth, school enrollment rates, illiteracy, and spending rates on education, health and housing, and if these indicators are taken to neglect qualitative factors that can measure the standard of living. Such as the quality of the goods consumed and the quality of educational and health services(Al-Shojaa,2004,page200).

Researchers in the fields of economics and statistics were able to define normative "standard" patterns for the process of distributing individuals for their spending on food, clothing, housing and other major spending outlets, despite the variation in the behavior of individuals and families when spending on goods and services. The patterns appeared in aRegular g and familiar form in the way that it can be predicted through different societies, and behavioral patterns are called by the name of Engel's laws. As the consumption behavior of the individual or family changes-on average-regularly with changing the level of income, the German economist Engel analyzed the research of the family budget in the nineteenth century, where he conducted an applied study within a time series from (1821 AD to 1926 AD) on consumer spending for a family. And Engel has reached laws and it is(Parathel,1995,pages211-213). Quoted from (Nassar, 2015,40) ۝

***first:** It includes an increase in the proportion of spending on food consumption as the household income decreases, and from this relationship it was concluded that with the stability of other variables, the proportion of spending on food is the best indicator that shows the standard of living of individuals and their behavior patterns.

***second:** includes the idea that the proportion of spending on food and housing remains almost constant, while the proportion of what is spent on luxury goods increases when income increases.

Through Angel's law, we mean the standard of living is the sum of the household food consumption divided by the aggregate household consumption. This indicator is based on the hypothesis that says: The standard of living (the family's position in poverty) is determined by the ratio of food consumption to the total consumption of the family, that is, if the share of food increases, then it is dominant over the other shares allocated to housing, education, health and other social services, it should be noted that the percentage of food consumption in rich countries does not exceed 20%, and this indicator is divided into several sections as shown below (Palestinian Central Bureau of Statistics, 2011,page50).

a. The best level: the share of food consumption out of aggregate consumption is less than **30%**.

b. The average level: the share of food consumption out of aggregate consumption is less than **(30-44%)**.

c. The worst level: the share of food consumption out of aggregate consumption is less than **45-100%**.

The standard of living is determined by several variables, the most important of which is the level of disposable income, which comes in contrast to subsidies and the like, either the individual sells his muscular and mental work force or the income achieved by owning one or some of the elements of production or that income resulting from the combination of those elements in order to produce goods and services are in one aspect of economic activity, which is (income in all of its types). Call it the initial income. In addition to that, there is what is called secondary income represented by public services (such as education, health, and transportation) that the individual take outs and satisfies his needs from them for free or at nominal prices less than the cost of their production, and these are the services on which the state's general budget is spent (Al-Shuja and 2004, page 199). The Arab Report on Multidimensional Poverty indicated that the indicators of the standard of living include: availability of electricity, availability of adequate sanitary facilities, availability of suitable floors and a suitable roof, lack of overcrowding, access to a minimum of information, ability to move around and availability of livelihoods- (United Nations,2017,page11)

It is not necessary that income (primary and secondary) as one of the main determinants of the standard of living, for it to be a measure or a single indicator of the extent to which the standard of living is achieved with its various aspects, and the changes that occur to it, and therefore in addition to income, there is an indicator or determinant of consumption that most researchers tend to use its data as an indicator to define and classify the standard of living, as consumption reflects the material side of the standard of living, and depends on quantitative measures not a monetary measures, and thus we can determine the extent to which goods and services are directly and definitively used, with the aim of satisfying the needs of individuals, and on that it can be identified the standard of living in a society through the goods and services that members of the community consume in a specific period of time, on the basis that the individual seeks to

maximize the benefit from his consumption of those goods and services in a certain period of time (Al-Shujaa, 2004,page200).

The standard of living index is a qualitative indicator based on two quantitative indicators, one of which is the price index and the other is the wage index, **which are a condition for measuring the standard of living. But each of them separately does not have a deep economic significance and does not bear a social connotation**, which is an indicator from the scientific point of view that aims to guide development by measuring the stage of society's life in a continuous manner. It is also necessary to distinguish between the standard of living and the living expense, as the living expenses is the main point in the analysis of the standard of living. In terms of the standard of living, statistically, it is the amount of goods and services consumed by the individual in a given unit of time. An increase or decrease in goods consumed actually means an increase or decrease in the standard of living, whether at the individual level or at the standard of living (Jawda, 2007,page49).

2.3.3. Reasons of low standard of living:

There are many reasons that lead to a decrease in the standard of living, some are the result of the general economic situation, as a result of the war or exceptional circumstances, and some are the concerned person is the reason of this decrease of standard of living. Here we mention the most important things that may cause a decrease in the standard of living (Jabbar, 2020,page207).

1. **Subjective:** The individual may be less than others in understanding his problem. He does not work to increase his income to improve his standard of living, and his ignorance may be a reason for his mishandling of his income, that is, poor management and lack of wisdom in spending, which leads to confusion in the standard of daily living.
2. **Natural factors:** It is one of the factors related to the problems caused by nature that affect the individual and society, including: floods, epidemics, and agricultural pests, which lead to the destruction of a large quantity of products that the individual needs in his daily life.
3. **Internal factors:** which are not related to the individual himself but to society as a whole, and some of these factors are:
 - a. **The economic factor:** and It includes low productivity, slow growth rates of job opportunities, lack of quantities and poor quality of production, market instability, income inequality, low rates of economic growth, high cost of living, and in addition the economic policies that are based on Lifting of subsidies on necessary commodities, reduction in social spending, non-exploitation of community resources and natural resources, and the scarcity of services and primary resources.
 - b. **The Social factor:** It relates to demographic growth, where the population increase is greater than the growth rates in the domestic product. And the severity of the disparity in income distribution, in addition to the deteriorating conditions whether in the countryside or in the city, and the weakness of social safety nets.
4. **External factors:** filled with the requisition of peoples' capabilities through what the occupation does, and foreign monopoly is the biggest factor in the spread of the phenomenon of low living standards.

2.3.4. Standard of living scale (ELSI Short Form):

The Economic Living Standard Index Short Form (ELSISF)

The abbreviated or short form of the economic living standard index expresses the standard of living of the style or way of life, as it refers to the material side of welfare that is reflected in a person's consumption and his personal property - durable household goods, clothes, entertainment, access to medical services, etc., and the living standards of the population vary from One country to another, and in the same country from one region to another, for a number of reasons that may be due to international factors on one hand and the wealth of the country and its policies on the other hand, and also it may be due to a set of reasons related to the individual and the family and their characteristics such as low level of Education, the size of the family, and the location of the family in

geography, where the standard of living is a historical phenomenon that has been discussed by theories within the framework of different schools and economic policies, and this phenomenon has its regional societal peculiarities (Mazracchi, 2018).

The standard of living has a significant impact on the progress of any country in the world, and the decline in the standard of living is a warning for officials and planners to reconsider their future plans and find appropriate solutions, so the state undertakes to provide the best standard of living for its residents by providing health and educational services. As the economic development in any country is related to educational and health progress and the high level of services in it, as the standard of living concept expanded to include all the material goods and services that an individual take outs, and the more an individual can take out of those goods and services, the higher his standard of living and welfare, and here the development of the standard of living is achieved (Akila, 2013, page18).

It is evident from the above that the standard of living in general is important for the progress and stability of countries, as the enjoyment of members of society with all services and goods that meet their needs contributes to their ability to perform their tasks and thus is reflected in the holistic development in the economic, social and even political aspects, in a way that constitutes a rolling wheel towards a holistic development.

The standard of living scale (ELSI Short Form) was developed as a part of the continuous research program of the Ministry of Social Development in New Zealand about living standards, and it depends on several factors which are the measurement of property restrictions, social participation restrictions and the economy (financial difficulties) as it takes into account the "self-evaluation" criteria for standard of living, The Economic Living Standard Index Short Form (ELSISF), is an abbreviated version from (ELSI Long Form), and can be replaced by it in many contexts, and (ELSISF) provides a valid and reliable survey tool to measure people's economic standard of living. The tool (ELSISF) gives scores for all items, and the final result is take outed by combining the information according to the context related to each topic and the standard adopted for all items, which ranges from (1-7) standard of living. The elements of the scale and the method of using this tool will be discussed in the next chapter on the study methodology and tools. (Ministry of Social Development NZ, 2005).

The scale consists of three restrictions and they are (2005, NZ Development Social of Ministry(

- **Property restrictions:** People often fail to own something they want because they cannot afford it. On the contrary, Having most of the things an individual wants, is an indication of high standards of living.
- **Social Participation Restrictions:** The second important indicator of standard of living is this restriction on the social activities that a person wants to Carry out. But he could not bear it, In contrast, it is an indication of high standards of living to be free of these restrictions.
- **Economy:** When people are in a situation in financial distress, they often cut back their spending. In contrast, people with higher living standards will generally not have to reduce their spending.
- **Self-evaluation:** person evaluation for himself.

(2.4) Forth Topic: Previous Studies

(2.4.1) Previous Studies:

The effect the standard of living on Health and educational services in Gaza Strip (Akila, 2013):

The study discussed standards of living and health and educational services from the year 1967 until 2011, with the availability of data, and the study aimed to examine and analyze the standard of living of the governorates of Gaza by clarifying the relationship between the standard of living and health and educational services, and the study community is all Residents of Gaza Strip, a sample consisting of 220 people was chosen from different governorates of Gaza Strip. The study showed a variation in the spatial distribution of health and educational services in the governorates of Gaza, depending on the different circumstances and geographical characteristics of each governorate. It also showed that there is no difference between males and females in the educational level in Rafah governorate, and the number of students in each division is estimated to be between(35.4 -39.2) students and is acceptable according to international standards, which recognize that each division has 20

Denial of basic services and its role in the spread of poverty and the decline of the standard of living. (Sandoog and others, 2014)

This study aimed to identify the impact of the deprivation of basic services such as health services, education, water, sanitation and electricity on poor people, and its role in the decline of the standard of living, and the study used the questionnaire as a tool for the study, and a set of results were reached, the most important of which are: the existence of a very weak positive relationship between government spending on basic services and lower poverty rates, and there was a weak positive relationship between providing basic services to the poor and improving the standard of living, and the relationship was weak between service quality and Poverty reduction.

"Bank credit and strengthening the capacity of Palestinian small and medium enterprises"(Abu-Jamee, 2015).

This study aimed to identify the role of the banking sector in supporting and financing of small and medium projects in the Palestinian territories. Its importance lies in explaining the financing role of the Palestinian banking sector and its impact on enhancing the capacity of small and medium projects in the Palestinian territories. Therefore, the descriptive and standard analytical approach to phenomena and the variables related to the subject of the study to analyze the phenomena and economic variables: The study found that the banking sector did not play the role and did not pay sufficient attention to financing small projects, as the percentage of loans granted by operating banks in Palestine to finance small projects did not exceed 3% of the total loans granted by operating banks in the Palestinian territories, The study recommended the need to implement a set of policies and procedures that will improve the performance of small and medium projects to serve the Palestinian economy and activate them, by providing advisory and technical services and providing them to improve investment opportunities and encourage operating banks in Palestine to finance small and medium projects at a lower cost, by granting them specific financial advantages such as tax exemptions and others.

The role of the Palestinian National Program for Social Protection in improving the standard of living for poor families in the Gaza Strip (Nassar, 2015).

The study aimed to understand the phenomenon of poverty and its sources in the Palestinian society and to identify the aid provided by the Palestinian National Program for Social Protection, which is supervised by the Ministry of Social Development, and the variables affecting the standard of living for poor families in the Gaza Strip, The study followed the descriptive analytical approach, where a cross-sectional questionnaire was prepared from a stratified random sample consisting of (758) beneficiaries of the program, and the study reached a set of results, the most important of which are. The average per capita expenditure in poor families is less than two dollars a day, Also, cash assistance through the program, is the main source of monthly income for the poor family, It was also found that there is an inverse relationship between poverty and the educational level of the head of the family and a direct relationship between poverty and the head of the family being unemployed, and the results of the standard analysis proved by what the German scientist Engel concluded that the lower the household income, the greater the share of spending on food, and this is dominant over other goods and services, One of the most important recommendations of the study was the necessity to standardize the criteria for targeting poor families, especially the standard of living proxy means testing formula (PMTF) applied by the Ministry of Social Affairs and United Nations Relief and Works Agency for Palestine Refugees (UNRWA) and the necessity of using technology information systems in order to form integration in services and humanitarian aid.

Analysis of the effects of microfinance banks loans on the livelihood of small-holder farmers in Delta state, Nigeria (Solomon, 2016)

The study assesses farmers' perceptions of the impact of bank loans Microfinance on their livelihoods using primary and secondary data .A multi-stage random sampling technique was used to draw a sample size of 750 responding farmers and 15 microfinance banks - and the questionnaire was used, and then the data was analyzed using tables, frequencies, percentages, means, financial ratio, and chi-square. The results showed that microfinance banks distributed

different sizes of loans to farmers, regardless of their social and economic characteristics, and that the beneficiaries of these farmers were positively affected by the loans of the microfinance banks, thus improving their living standards. The repayment rate was relatively a good percent. 79%. the main problem of loan management includes the high interest rate, collateral requirements, difficulty in accessing credit, distance, transportation costs, and the granting of delayed loans among other things. And to achieve optimum utilization, it is suggested that microfinance banks work with other integrated social development agencies geared towards improving the well-being of small rural farmers

Factors Influencing Non-Performing Loans in Commercial Banks: The Case of Banks in Selangor

The paper aims to study the factors affecting non-performing loans in commercial banks in the state of Selangor in Malaysia, based on the variables in the study, which are four (4) independent variables consisting of the standard of living, the country's economy, consumer income, bank interest rates, and assuming that It has statistically significant effects on the dependent variable (non-performing loans NPLs), The study followed the quantitative approach and samples were taken from 200 respondents in this study using the random Stratified sample. The study used the program of (SPSS) and the determination of the multiple regression analysis test (MRA). The variables represented by consumers 'income, the country's economy and bank interest rates were statistically affected non-performing loans in commercial banks in Selangor, Malaysia. While there was insufficient evidence to support the standard of living, it could statistically affect the loans of defaulters in commercial banks in Selangor.

Attitudes toward debt and debt behavior (Almenberg,.et al, 2018)

The study aimed to identify opinions on debt trends, through a new survey of opinions on debt, and matching the survey results with the Swedish family budget data from the registration data, as measuring opinions about debt contributes to explain the individual difference towards debt, debt accumulation and Consumption behavior in the period 2004-2007. As an illustration variable, it also compares opinions on debt with a number of other variables such as: determinants of debt, education, risk, and financial literacy. The study reached a set of results, the most important of which are: More than half of the respondents in the sample 56%, reported that they are not comfortable with debts, and this is considered a high percentage of dissatisfaction, The gender difference in the comfort towards the indebtedness where women do not feel comfortable towards debts more than men, also, the respondents 'attitudes toward debts depend primarily on the purpose of the debt as most respondents consider that debt is acceptable to buy a car or for education, but Very few percentage (6%) consider it acceptable to cover family expenses.

*** Non-performing loans in lending institutions in Palestine: causes and remedies: (Rubee,2019)**

The study aimed to identify the reality of bad loans granted by licensed lending institutions operating in Palestine, and the reasons for the failure of these loans, and the researcher used the descriptive exploratory approach, The secondary data published by the Palestine Monetary

Authority regarding the size of borrowing and defaulting in the lending companies was used, and the researcher also developed a data collection tool by designing a questionnaire consisting of 38 questions divided into four subjects, the five-point Likert scale was used to take out the answers, and it was distributed on Simple stratified random sample, a simple class made up of 136 employees of higher management and workers in the facilities department in the operating lending institutions licensed by the Palestine Monetary Authority out of 210 employees, The data was analyzed using (SPSS), one of the most important results of the study is that non-performing loans in Palestine are a remarkable phenomenon based on the analysis of data provided by supervisory authorities such as the Palestinian Monetary Authority, and that the most important reason for the phenomenon of default is granting borrowers loans with monthly obligations exceeding their monthly income, and the borrowers' submission of unreal financial data that overestimate their income.

social and pedagogical indicators of the decline in the standard of living of children of Iraqi families in the Baqubah district. (Jaber,2020)

The study aimed to identify the social and pedagogical indicators which leads to a decrease in the standard of living of the members of the Iraqi family, and the study questionnaire was applied to a sample of 150 individuals who are educated in secondary schools and who are not educated in the district of Baqubah, and the results were that most of the research sample suffers from social and pedagogical indicators that are described as negative due to the low standard of living, individuals had weak social relationships, They may lose part of their rights, such as their right to have an education. The study recommended the necessity of conducting a study on the standard of living of the family in order to know their standard of living. and to find a mechanism to know them and develop solutions related to them, and the need to activate the Family Protection Law and provide the requirements related to them, and work to develop interest in the students due to the reflection of the standard of living on the academic and social level.

***CHAPTER THREE: methodology and tools:**

(3.1) Methodology

In his study, the researcher adopted the descriptive approach and interviews, as this approach fits into the current study in that it provides detailed data from the variables of the study as well as provides a realistic explanation of the factors associated with the subject of the study, as this approach describes what is an object, explains it, and determines the circumstances and relations between facts, It also includes an explanation of the data and information take outed in order to draw conclusions.

(3.2) Data Collection Methods:

The study relied on the descriptive approach, which is an approach based on research procedures that rely on collecting the necessary data from a group of individuals who are related to the research phenomenon under study, as well as the field study method, and to collect the necessary data to achieve the purpose of the study,

(3.3) Study Community:

The study community consisted of all workers in the public sector (military and civilian) in the West Bank, and the researcher selected a Purposive non-probability, as the Purposive sample was chosen for the Bank of Jordan Ramallah branch due to its being the economic capital and business center of Palestine, Bank of Jordan was chosen because the procedures related to credit facilities and interest rates are often similar in all banks, and then the questionnaire was distributed randomly into two categories to take out a percentage in retrieving the questionnaires, the researcher distributed the questionnaires and supervised filling them by himself. The sample was directed to a set of study questions in an effort to reach accurate information that leads to realistic results in diagnosis, analysis, interpretation and formulation of recommendations. The study sample consisted of 100 employees working in the public sector, 50 borrowers and 50 non-borrowers, and the researcher relied on this percentage is considered sufficient to what was mentioned in previous studies, as the studies that search for correlation relationships must not be less than 30 valid questionnaires, and in the table shows below the distribution of the study items according to demographic variables

(3.4) Study Tool:

The study used the questionnaire as a tool to achieve the objectives of the study and answer its questions, as the study benefited from the preparation of the study tool on what was stated in some previous studies, including (Murthy, et al, 2017), (Abu Zina, M.,2010). And (Ministry of social Development NZ, 2005), The study tool is in order to measure the standard of living of employees of the public sector through the estimates of the standard of living measure ELSI sf,

***CHAPTER FIVE**

Findings and Recommendations

Introduction

In this chapter, the study reviews the results that it was reached by testing the hypotheses of the study and the answer to its questions and achieving its goals, and in light of these results that were reached in the study, the researcher was able to present a set of recommendations, and the most important results of the study can be summarized according to what has been reached through the answers of the study sample represented by borrowers and non-borrowers employees working in the public sector in the West Bank, and it was as follows:

(5.1) Findings summary

-The results of the study showed the distribution of the sample members among the demographic variables was as follows: Gender: (Male 46%, Female 54%) and this shows that government agencies pay clear attention to gender in their affiliated institutions and this is evident through the efforts of official government institutions to establish units to take care of the dimensions of gender within its organizational structure, the age group was as follows: (less than 25 years (8%), 26-45 years (62%), 46 and more (30%)), Marital status (single (19%), married (73%), widowed (5%), divorced(3%)) Type of residence (ownership (66%), rent(30%), rent ending with

ownership(4%)) and the percentage of those who own houses have achieved the largest group, which is a expected result, especially if The largest percentage of the study sample individuals are over (45) years old, and it is common that the majority of this age group actually owns a house, which is a part of the psychological safety that the employee seeks to reach before this age stage and that is a part of the culture and the stereotype in society Palestinian., As for the residence place variable (city 68%, village 26%, refugee camp6%), which is a expected result since the largest number of residents is live in cities and their suburbs,

- the absence of any significant impact of the status variable (taking out a loan, not taking out a loan) on the standard of living of employees of the public sector working in the West Bank is at the level of significance ($\alpha \leq 0.05$), but relatively it has been found that for those who did not take out a loan, their standard of living is slightly better than the people who actually take out a loan, but it is not statistically significant.

-As for the impact of net income on the standard of living of borrowers and non-borrowers working in the public sector in the West Bank, as the results of the statistical analysis showed the existence of a statistically significant effect at the level of significance ($\alpha \leq 0.05$), where the value of the degree of influence reached ($\beta = 0.055$), which means that an increase by the one unit in net income leads to an improvement in the standard of living of public sector employees working in the West Bank by a percentage (5%). This is explained by the common result as the increase in net income for workers in the public sector, whether as a result of an increase in their annual salaries, promotion, or even other sources of income as a result additional work leads to an increase in the standard of living of the study sample, and this result is consistent with a study of (Özdemir, Ö., & Boran,2004).

- regard to the impact of dependent family members on the standard of living of borrowers working in the public sector in the West Bank, as the results of the statistical analysis showed that the value of the degree of influence reached ($\beta = - 0.09$), and this means that an increase of one unit in the number of dependent family members leads to a decrease in the standard of living For borrowers working in the public sector in the West Bank, at a rate of (9%). also the calculated value (t)reached (12.473), but the effect was not significant at the level of significance ($\alpha \leq 0.05$), and based on the above, the null hypothesis was accepted, which states:

There is no statistically significant effect at the level of significance ($\alpha \leq 0.05$) in the value of the number of family dependant and standard of living of borrowers who are public sector employees working in the West Bank. Whereas, the largest percentage of the individuals of the study sample of workers in the public sector had the number of dependent family members ranging between 4-6 members, as the ratio was for borrowers (60%) and for non-borrowers (26%), while with regard to the absence of individuals dependent by the study sample members, The ratio was for borrowers (12%) and non-borrowers (18%)

-The results related to the effect of the value of the monthly payment of the loan on the standard of living of borrowers working in the public sector in the West Bank, as the results of the statistical analysis showed that the value of the degree of impact reached ($\beta = 0.024$), and this means that an increase of one unit in the value of the monthly payment leads to an increase in the

level of the standard of living by (2%)), but the effect was not significant at the level of significance ($\alpha \leq 0.05$), the calculated value (t) reached (12.473), but the effect was not significant at the level of significance ($\alpha \leq 0.05$), and based on the above, the null hypothesis was accepted, which states: There is no statistically significant effect at the level of significance ($\alpha \leq 0.05$) in the value of the monthly payment and standard of living of borrowers who are public sector employees working in the West Bank.

- The results show the effect of the degree of satisfaction from taking out a loan on the standard of living for borrowers working in the public sector in the West Bank, as the results of the statistical analysis showed that the value of the degree of influence reached ($\beta = 0.008$), and this means that an increase of one unit of the value of satisfaction will be reflected in the increase in The standard of living by (0.8%), and that effect was not significant at the level of significance ($\alpha \leq 0.05$), and based on the above, the null hypothesis was accepted, which states: There is no statistically significant effect at the level of significance ($\alpha \leq 0.05$) on the level of satisfaction in taking out a loan and the standard of living of borrowers who are a public sector employees working in the West Bank.

- The lack of effect of taking out a loan on the standard of living of borrowers may explain that the members of the study sample often going to consumer loans within the concept of satisfaction, as they go to the consumer loan quickly as a result of large facilities from operating banks in order to take out a loan to fulfill obligations or implement requirements at a moment, this concept may not fall within the system of decision-making or evaluation of the situation at the stage of repayment of the loan or upon its end, and it may also be explained that the members of the study sample working in the public sector were unable to determine the emotional state that they have due to the long period of repayment of loans because of the facilities of the banking sector Thus, the individual feels several evaluations of their satisfaction with taking out a loan at the same time.

- The results of the difference test showed that there were no statistically significant differences at the level of significance ($\alpha \leq 0.05$) in the attitudes of family members towards the standard of living of public sector employees working in the West Bank, according to the variables (gender, age group, marital status, type of residence, place of residence, status, "taking out a loan, Not taking out a loan).

- It was also found that there are differences of statistical significance ($\alpha \leq 0.05$) in terms of the study individuals' attitudes towards the standard of living for public sector employees working in the West Bank according to the place of residence variable, where the level of significance was (0.034) which is a statistically significant at the level of significance ($\alpha \leq 0.05$) and to determine the source of the difference in the standard of living for public sector employees working in the West Bank, depending on the variable place of residence, a least significant difference test (LSD) was used for dimensional comparisons.

- There were differences between the place of residence (city) and the place of residence (refugee camp), where the value of the differences reached (0.20854*), which is statistically significant in favor of the first category (city), while there were no statistically significant differences between

the other dimensions, it is clear for the study based on the findings The study showed that the residents of the city enjoy a better standard of living than the residents of the refugee camps, while there was no difference between the residents of the city and the residents of the village, the residents of the village and the refugee camp residents, which may explain that the camp residents suffer from difficult financial conditions inside the camps, which is the result imposed by the occupation on Palestinian society and restrictions on this category as well, which may explain that individuals who live in cities are forced to keep up with living standards in certain areas related to welfare and also their proximity to major economic complexes not available in the refugee camps may motivate them for spending and bring them closer to work sources, which raises the level of their standard of living according to the model used.

What are the reasons for taking out a loan for lenders working in the public sector? The results showed that the study sample had take outed a loan for the following reasons, in descending order, as follows: (in order to buy a house (50%), in order to buy a car (32%), create a new project (6%), for education purposes (6%), buy land (4%), and develop an existing project. (2%)) that is, the study sample seeks to take out a loan to buy a car or buy a house or repair it in the first place. This result is consistent with the study of (Almenberg, et al., 2018)

- Do you feel satisfied with taking out a consumer loan?

The results showed that 46% of the study sample members, they answered with satisfaction, while 54% of the study sample members answered that they were not satisfied with taking out a loan, This explains why borrowers take loans to cover their obligations, provide for their needs, or improve their social level by buying a car, buying or repairing a house, and this result is consistent with (Almenberg at al,2018).

-What is the reason for dissatisfaction with taking out a consumer loan?

The study showed that (51.9%) of the study sample individuals who take outed a loan answered that the value of the monthly payments is large compared to the monthly income, while (49.1%) answered that the loan amount does not meet my needs.

- If you need to take out another consumer loan despite your dissatisfaction with the previous loan, would you get a new loan?

The results showed that (77.8%) of the study sample who take outed a loan they will not take out another consumer loan even they need it because of their dissatisfaction with the previous loan, while (22.8%) said that they will get a loan for another time, which is what it may be explained by a bad experience as a result of the accumulation of obligations, as the consumer loan may be the postponement of obligations for later periods.

- Are you planning on getting a Consumption Loan?

The results showed that (94%) of the study sample who did not take out, are not planning to take a loan, while 6% are planning to take out a loan, This explains his reluctance to engage in the credit process, which provides an amount of money with interest that the lender will pay during a specified period of time with the bank.

-What is the purpose of taking out a Loan?

The results showed that (33%) of individuals who did not take out a loan and are planning to take out a loan, the reason for this is their desire to buy a car, and with the same percentage (33%) they want to take out a loan in order to buy or renovate a house, and also at the same rate (33%) Some of them want to take out a loan for the purpose of education.

-What is the purpose of Unwillingness to take out a Loan.?

The results showed that (10.6%) of individuals who did not take out a loan and did not wish to take out a loan, attributed the reason for their unwillingness to be due to the financial inability to repay, while (14.9%) attributed this to the low level of income, and also to the percentage of (19.1%) Study members have an impediment to take out a loan, while (55.3%) them do not need a loan.

(5.2) Recommendations:

Based on the results of the study, a number of recommendations can be made, the most important of which are the following:

1. Granting bank credit in a way based on designing programs that take into account the social and geographic aspects and job levels, especially the part of purpose of the loan, where specialized loans can be granted to finance the customer's priorities such as car loans or buying a home, meaning that the basic criterion is the priority assigned to the bank's investment interest and the customer's interest in terms of his financial capacities during the payment periods.
2. Continuous measurement of customer satisfaction of public sector employees as a result of the process of taking out consumer loans, especially since it is a large category, and identifying the gaps between the process of granting bank credit in a way that reduces customers' needs and in what is reflected in achieving their satisfaction, and measuring dissatisfaction in a category and its causes, and Starting from it by granting specialized loans to clients that match their needs and reduces the risk of loans and their effects on them, which causes their reluctance to accept loans again.
3. Balancing and diversifying the granting of consumer loans according to all age groups, and according to the place of residence, and other variables, which distributes the burden and creates diversity in the banking work and reduces the risks to the bank and society.
4. The banking institutions offer awareness programs and seminars for borrowers' categories, objectives and types for borrowers regarding loans in order to maximize their benefits from them and achieve their living goals.
5. Credit enhancement and managing bank credit granting by the banking system to achieve the effectiveness in using funds in a way that serves the real need of customers, and that the process of granting credit is consistent with the living standards and the policies of society and the economic system in it, also that encourage granting of credit to groups that may have the ability to repay without a significant impact on their standard of living.
6. Continuous training for employees working in the banking field, especially those that make credit decisions, and consider the social dimensions as a key part in the decision-making process to grant loans and credit facilities.

7. Working to spread banking awareness through different media and informative bulletins and awareness to satisfy multiple needs in a way that does not lead to the emergence of consumption cases simply because of a lack of awareness of debt and ways to optimize the use of credit facilities.
8. The customer must manage the credit process, and make credit is not an easy process for him whenever he needs an amount of money, as the credit process may be good at the beginning, but it's effects are bad later
9. Creating an effective supervisory system by the Monetary Authority on consumer loans in all its forms to monitor their continuing effects on the economy and their repercussions on the standard of living.

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Appendix # 1: Questionnaire form:

Section One: Identifiable Information (Personal): Please circle the symbol for the appropriate answer

- 1. Gender :**
a). male b).female
- 2. Age Group:**
a). less 25 years b).26-45 years c). 46 years and more
- 3. Marital Status:**
a). single b).married c). Widow d). Divorced
- 4. Residence Type:**
a). Ownership b). Rent c). Rent ending with ownership
- 5. Residence place:**
a).City b).Village c). Refugee Camp
- 6. Number of dependant Family members:**
a).0 b).1-3 c). 7 and more

7. Income in shekel or total monthly family income if you live within a family

a	1500	e	4001-6000
b	1501-2000	f	6001-7000
c	2001-2500	g	7001-10000
d	2501-4000	h	More than 10000

8. Monthly expenditure in the shekel currency, the total (family) - not includes the loan payment, if any:

a	1500	e	4001-6000
b	1501-2000	f	6001-7000
c	2001-2500	g	7001-10000
d	2501-4000	h	More than 10000

Section Two: Questions related to borrowing employees:

These questions relate to the people who take out a loan, please answer the following questions:

1. What are the reasons for taking out a loan?

a	For marriage purposes	f	For Establishing a New Project
b	For Buying a Car	g	For developing an existing Project
c	For Buying or renovate a House	h	For Education
d	For Buying a Land	I	For treatment
e	For Buying a Home Furniture	j	For other purposes Specify.....

4. If your answer in the first question is NO:

The reason for unwilling to get a loan:	
a	Financial Inability to repay the loan
b	Low income level
c	Existence of impediment to taking out a loan
d	No need for a Loan
e	Other

Section Four: Evaluate the level of livelihood using (ELSISF)model

	a. Yes	b. No Because of unwilling to do so	c. because of the costs	d. No For other reasons
1. Do you have a smart phone?				
2. Do you have internet service for the whole month?				
3. Do you have a personal computer?				
4. Do you have high quality clothes?				
5. Do you have a special outfit for occasions?				
6. Do you have central heating in all rooms?				
7. Do you have home and homeowner's insurance?				
8. Do you give gifts to friends or family on occasions?				
9. Do you visit the hairdresser (barber) at least once a month?				
10. Do you spend the Eid outside the house every year?				
11. Do you have enough rooms to host the family?				
12. Have you spent your vacation abroad at least once every three years?				
13. Have you spend the night outside at least twice a week? (Example of visiting cafes)				
14. Have you invite friends or family to eat at least once a month?				

		a. No It's true	not	b. a little	c. yes a lot
15	Avoid buying fresh meat in order to reduce costs				
16	Stop buying new clothes As much as possible to reduce costs?				
17	In winter and cold days I stay in The bed for a longer time to avoid Heating operation cost?				
18	Avoid visiting the doctor or postpone the visit in order to reduce costs?				
19	Avoid dispensing the prescription in order to reduce costs?				
20	Spend less time on entertainment and hobbies in order to reduce costs?				
21	Avoid going to stores and public places in order to reduce costs?				

- In general, how do you evaluate your financial standard of living?

a	b	c	d	E
high	Quite high	medium	Quiet low	Low

- In general, how satisfied are you with the current material life?

a	b	C	d	E
Very satisfied	satisfied	Neutral	dissatisfied	Never satisfied

- How well does your total income (and your co-partner) meet your daily needs, such as: housing, food and clothing and other necessities?

a	b	c	D
Insufficient	hardly sufficient	sufficient	More than sufficient

We appreciate you precious time, thanks for cooperation

Interview Questions:

Part One: Questions for borrowers from public sector employees

1. What is your monthly income in the shekel currency or the total monthly income of the family if you live within a family?
2. What are the monthly expenditure in the total (family) shekel currency - not including the loan payment, if any?

3. What are the reasons for taking out a Loan?
4. What is the value of the monthly payment?
5. Are you satisfied with taking out a consumer Loan?
6. . In the event of dissatisfaction, what is the reason for it?
7. If you needed to take out another consumer loan despite your dissatisfaction with the previous loan, would you get a new loan?
8. What is the degree of satisfaction of taking out a consumer loan?
9. Even though you got a loan, are you in financial difficulty because of this loan?

Part Two: Questions related to non-borrowers employees working in public sector?

10. Are you planning to take out a consumer loan?
11. What is the purpose of the loan you are planning to take out?
12. What is the monthly payment amount you are able to pay?
13. What is the reason for unwilling to take out a Loan?

Appendix # 2: A list of the names of the arbitrators who the study instrument:

Number	Arbitrator	Workplace
1.	Dr. Salwa Al Barghoutho	Al Quds University
2.	Dr.Abdul Wahhab Al Sabbagh	Al Quds University
3.	Dr. Mohammad Bader	Al Quds University