

## MICROFINANCE INSTITUTIONS AND EMPOWERMENT OF WOMEN IN RURAL AREA: A CASE IN TANGERANG

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### Abstract

*The purpose of this study is to discover the performance of the financial independence, the members' welfare, and accessibility of microfinance institutions to the rural areas in the Tangerang District. To measure the financial dependence is using financial ratios. Measuring levels of performance of the members' welfare and accessibility using Chi-Square. The results found that, first, the level of welfare of members. The coastal areas have a higher loan value than other regions. Expenditure and income of members, industrial areas have high levels of spending and revenues higher than other regions. The performance of a range to members based on a group basis. Second, the performance of financial independence, categorized as "Healthy". The coastal area is 86.40, the area around the industrial area is 85.71 and agricultural area is 83.73. Third, the level of non-performing loans, the coastal area is 0.03, the industrial area is 0.26, and the agricultural area is 0.19.*

**Keyword:** microfinance institutions, performance, empowerment, women

### Abstrak

*Tujuan penelitian ini menganalisis kinerja kemandirian keuangan, kesejahteraan dan daya jangkau LKM ke wilayah perdesaan di Kabupaten Tangerang. Mengukur kemandirian keuangan LKM, menggunakan rasio keuangan. Mengukur tingkat kinerja kesejahteraan dan daya jangkau menggunakan uji Chi-Square (X<sup>2</sup>). Hasil penelitian menemukan, Pertama, tingkat kesejahteraan anggota. Wilayah pesisir memiliki nilai pinjaman lebih tinggi dari wilayah lain. Indikator pengeluaran dan pendapatan anggota, wilayah industri memiliki tingkat pengeluaran dan pendapatan lebih tinggi dari wilayah lain. Sementara itu, kinerja daya jangkau LKM ke anggota didasarkan pada basis kelompok dan pendekatan "jemput bola". Kedua, kinerja kemandirian keuangan LKM berkategori "Sehat" ( $80 < x < 100$ ). Wilayah pesisir bernilai 86,40, wilayah sekitar kawasan industri bernilai 85,71, dan wilayah petanian 83,73. Ketiga, tingkat kredit macet (NPL), wilayah pesisir bernilai 0,03, wilayah industri 0,26, dan wilayah petanian bernilai 0,19.*

**Kata Kunci:** lembaga keuangan mikro, kinerja, pemberdayaan, perempuan

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## **INTRODUCTION**

Microfinance Institutions (MFIs) is not a new type of institution in Indonesia. Indonesia has a long and varied history in the field of micro-financing models. This wealth of experience includes the types of micro-financing products and its implementing agencies, and even the history of its introduction to the public in rural areas (Akyuwen, et.al, 2010). The MFIs have an increasingly important role since the national banks pay less attention to the financial aspects for the small, micro, and informal enterprises, especially for businesses run by women as keys to reduce the poverty.

Many evidences have shown that MFIs are capable to reduce poverty in rural areas (Aruna & Jyothirmayi, 2011). Gonzalez and Hartarska (2008) by using data of 2,420 MFIs, represents 99 millions clients over 117 countries. The rate of loan repayments from those clients, who in fact do not hand over collaterals, exceeds 95%. MFIs can also access hard-to-reach areas, something, which formal finance institutions cannot do. Moreover, Velasco and Marconi (2004) explain that MFIs have more flexibility to keep in touch with their clients than common finance institutions. One method that MFIs do to gain that advantage is by utilizing social capital based on social groups approach as a replacement for collaterals (Mosley and Rock, 2004; Chowdhury, et.al, 2004).

The same condition applies in Indonesia. Many studies agree that MFIs are sources of financing that can be acquired easily. Bank of BRI Village Units has given us valuable lessons in the study of MFIs. Hartungi (2008) find that Bank of BRI Village Units has been providing financial services to remote areas with market rate interest, and no subsidy is required. Empirically, MFI's have noticed the quality of service in a way to know the persons more closely and understanding the needs of its customers. So that the MFI's clients have an excellent rate of return and cash flow healthy customers as a substitute for physical collateral. In addition, group approach (joint responsibility) is also proven to be effective as pressure group, as well as capable of reducing cost and risk in loan distributions.

Arsyad (2008) also observes positive influences that MFIs have in increasing socio-economic conditions of the poor. That influence can only be maintained if MFIs have good performance and wide outreach. Arsyad (2005) found that informal

institutions (e.g values, norms, and social sanctions) have an important influence for the governance of Rural Financing Institutions (*Lembaga Perkreditan Desa-LPD*), covering organisation, recruitment procedure, saving and loans mechanism, and remuneration system. Together with informal institutions, formal institutions also have direct influence to the governance of LPD.

By considering that poverty thrives more in rural areas, the focus point to combat the problem starts in this very rural areas. According to the World Bank (2010), around 82% of the poor live in rural areas. The residents of poor villages are mostly farmers who face challenges in developing their livelihood. Those challenges are: (a) limited and damaged natural resources; (b) uncooperative and limited policies regarding the development of production technology; (c) poor infrastructure (transportations) and limited support from development-supporting institutions (education, health, investment); (d) marginalized society and culture (rights to land and tenure) and limited possibility to develop local economy.

Meanwhile, the most critical poverty group in rural areas is the poor women. To an extent, poverty has been largely associated with women's livelihood. The spreading of sexual assaults, prostitutions, migrant workers, human trafficking, and other crimes has indirectly been attributed to poverty of women. Ironically, women, who make up 52.7% of the world's population, only have one thousandth of world's total wealth, and they only receive 10% of total wages (MDG's, 2010).

From that data, many studies have focused their analysis in reviewing the role of MFIs in combating poverty of women in rural areas. Mayoux (1999) do the study that elaborates MFI's roles on women empowering in some parts of Africa (Cameron, Zimbabwe, South Africa, Kenya, and Uganda), with Sudan as the benchmark in the empowering of microfinance's female clients. Mayoux (1999) argue that the main hypothesis of women empowering is that womens are the core of families. Microfinance programs in some sample countries in Africa has contributed in changing gender roles and issues. With women as the focus of microfinance access, the economic condition of women has also developed even more (Tundui and Mgonja, 2010; Ifelunini and Wosowei, 2012).

Noreen (2011) has conducted a study in Bhawalpur District, Pakistan. The studi elaborates its data by categorizing female and male clients. The results show that

female clients have better use in spending the loans, as well as shows better rate of loan repayments. The only disadvantage of female clients is that they have lower education and skill than their male counterparts. Altay (2007) also finds the same facts in Turkey. According to Altay (2007), Turkey is one of the countries that are late in raising awareness about the utilization of MFIs, especially after the great earthquake in 2000. However, in a decade, MFIs have provided significant benefits for the prosperity of families, especially regarding loans that are provided for female clients. The main argumentation of MFIs giving important roles for female clients is because it is considered as an equitable action, and women can utilize the loan and manage families' income better than men.

According to UN statistical data of 1995–2000 in Bhatt, et.al (2001), the rate of loan repayments for microfinance programs targeted at women has exceeded 90%. Rajivan (2001) showed similar result, with 91% rate of loan repayments, whereas the rate of loan repayments for male clients is only 80%. This average number of around 90% loan repayments of women clients also occurs in India. This high rate of loan repayments has made policy makers, including donor agent, believe that MFI with women as target group is a financially sustainable economic operation.

Moreover, why do the MFIs have an important role in the term of the economic empowerment functions of the rural area household? Isn't the MFIs only handle the economic function of the small and micro business? Arsyad (2008) divide the MFIs into three main categories, such as: *First*, formal MFIs especially Bank of BRI unit and rural banks (BPR), which operate in the remote places in Indonesia. *Second*, semi-formal MFIs, especially cooperative, both saving cooperative which focussed on providing financial service as well as saving and loan unit in various type of cooperative, BMT (Baitut Mal wa Tamwil), NGO empowerment program, and Central and Local Government Empowerment Program. *Third*, informal MFIs, mostly are "arisan" which provide individual loan (both commercial and non-commercial) and retail sales and store owner.

In its relation with economic function, especially in the payment function, the semi-formal MFIs provide the financing facility to its customer either as a member or as a regular member. Many types of the financial services provided for customers are: *First*, the financial service for the productive business in the form of the investment and

trade. *Second*, the consumptive financing service, in the form of service and goods procurement. Third, the education financing, which is for formal and informal education activities. The fourth is the financial service for the other social activities, such as traditional or religious activities. Therefore, in its relation with economic empowerment of women living in the rural areas, how does the performance of the MFIs?

Consider that the MFIs' role is to provide an easier access for the low-income person to get credit, the MFIs should be financially viable, to reach independence (self-sustainability). Therefore, the performance assessment should be based on the financial viability. According to the Arsyad (2008), the financial viability is about the capability of the MFI in covering its operational expenses using its revenue. Therefore, the cost efficiency should become the main focus to achieve the MFIs' independence (Khandker, 2005).

However, theoretically, performance assessment is not merely based on the independence, but also on its outreach. This item could be measured using the size of the targeted family and the size of service received. These criterion either independence and outreach are complementary for each other, and have become a comparative tool in the MFIs performance evaluation (Yaron, et.al, 1998; Chaves & Gonzales-Vega, 1996; Arsyad, 2008). A technical operational guidance of the MFIs in 2006 has been released in Indonesia; it has been adapted to assess the financial performance of the MFIs. This guidance can be used to assess the quality of the MFI. The financial performance can be determined by the calculating of the financial ratios, thus the performance of the MFI can be measured.

## METHOD

As the character of socio-economic research, this research uses descriptive-quantitative method. In measuring the performance of financial independence, using financial ratio indicators compiled the Permen Nomor 20/Per/M.KUKM/XI/2008. Meanwhile, measures the performance of the members' welfare and accessibility using Chi-Square. This research is conducted in Tangerang district which has 23 sub-districts. The sub-district is divided into three categories, namely: a) Coastal/fishermen areas: Pakuhaji, Teluk Naga, and Mekar Baru; b) Agricultural areaa: Panongan, Cisauk, and Tigaraksa; c) Industrial/Residential areas: Jayanti, Kelapa Dua, and Bina Sejahtera.

Measure the level of members' welfare and accessibility, 180 respondents from three mentioned area are selected. The selected respondents are scattered in rural area of Tangerang. The respondents are assumed to represent the member and understand the questions being asked. The purposive sampling is used to obtain information about welfare level which is reflected in loans level, expenditure, and members' income. Meanwhile, there are three MFIs from each region selected as the samples in this study. Then, the financial independency of the selected MFIs will be assessed through the Productive Activa Indicator, Management, Efficiency, Liquidity, Independency/Development, and Cooperative Identity. The level of members' non performing loan (NPL) of each MFIs will be measured.

## RESULT AND DISCUSSION

### Result

In the Table 1, the NPL (Non Performing Loan) level of semi-formal MFIs, which located in the coastal/fishermen area, is very low ( $0.03 < 0.07$ ), and considered to be the lowest as it is even lower than the other two area (agriculture and industrial/residential). In the term of the financial performance of MFIs, as referred to Minister Regulation No. 20/Per/M.KUKM/XI/2008 and Ledgerwood (1999) assessment criteria, which shows that the trust level and the appreciation given by the community to the MFIs in the region are relatively very high. This fact is also supported by the number of MFIs members that is always increasing with the number of group networks and central discussion team, which is also increased in the whole fishermen rural area.

**Table 1. Financial Performance in Coastal/Fishermen Area**

No	Indicators	Pakuhaji	Mekar Baru	Mauk
1.	Health Level	93.40	85.90	79.90
2.	NPL (%)	0.03	0.07	0.06
3.	Accessibility/Services			
	• Village	13	15	11
	• Central Discussion (Team)	217	163	162
	• Members	6,348	4,334	4,131
4.	Voluntary Saving (Rp)	3,565,505,958	1,757,301,818	3,608,281,484
5.	Financing (Rp)	34.717.000.000	20.995.200.000	20.240.600.000
6.	Members's Savings (Rp)	4.231.505.958	3.499.655.932	2.073.590.000

Source: processed data

Refer to Table 2, the NPL level in the industrial/residential area is considered low ( $0.07 < 0.50$ ). Eventhough, when compared to the other area, this number is higher than two other regions (coastal/fishermen and agricultural). Meanwhile, MFIs financial performance refered to Minister Regulation No 20/Per/M.KUKM/XI/2008 and Ledgerwood (1999) assessment criterias, the MFIs could be considered as "Healthy". The level of the members' saving (in average) is above IDR 200,000,000 < IDR 4,000,000,000, which shows that the trust level and the appreciation given by the community to the MFIs in the industrial/residential area are relatively very high.

**Table 2: Financial Performance of the Industrial/Residential Area**

No	Indicators	Jayanti	Kelapa Dua	Bina Sejahtera
1.	Health Level	84.00	85.65	85.25
2.	NPL (%)	0.24	0.47	0.07
3.	Accessibility/Services			
	• Number of Villages	17	7	26
	• Central Discussion (Team)	249	52	25
		4,774	1,198	1,524
	• Number of Member			
4.	Voluntary Saving (Rp)	2,016,340,830	241,619,986	3,883,169,657
5.	Financing (Rp)	20,690,100,000	3,047,888,000	-
6.	Members' Savings (Rp)	1,680,005,000	37,160,000	2,589,393,886

Source: Processed data

The level of the NPL indicators in the agricultural area is "Very Low" ( $0.11 < 0.25$ ). However, this level is higher than the coastal/fishermen area and lower than the industrial/residential area. While the level of the MFI financial performance is considered "Healthy". The member's saving rate at the average is above 150,000,000 Rupiah < 2,500,000,000 Rupiah, which indicates that level of confidence (trust) and appreciation of the community (members) of the MFI in agricultural areas is very high. This is also shown by the number of MFI members which continues to increase; with networking groups and central discussion increasingly reach various parts of the agricultural villages.

**Table 3. The Financial Performance of the Agricultural Area**

No	Indicators	Panongan	Tigaraksa	Cisauk
1.	Health Level	78,90	84,90	87,40
2.	NPL (%)	0,11	0,24	0,23
3.	Range/Services			
	• Village	21	17	15
	• Center Discussion	166	56	233
	(Group)	4.094	1.103	4.591
	• Members			
4.	Voluntary Savings/Savings (Rp)	1,673,255,410	162,815,590	2,382,234,612
5.	Financing Distribution (Rp)	36,200,500,000	3,774,200,000	24,493,500,000
6.	Members Savings (Rp)	1,138,955,027	138,041,685	3,663,917,321

Source: Semi-formal MFIs, processed

To measure the level of the member's welfare can be done with the quantity of the loan level indicator/financing, income level, and the level of members' expenditure. This models consist of sample (s) = 3 and financing category (k) = 5, then it is obtained  $DK = (s - 1) \cdot (k - 1) = (3 - 1) \cdot (5 - 1) = 8$  with a significant level of 5%. If  $X^2_{arithmetic} > X^2_{table}$ , then  $H_0$  is rejected. The value of  $dk = (k-1) \cdot (r-1)$ ,  $k$  = the number of samples area,  $r$  = loan quantity/financing, so  $dk = (3-1) \cdot (5-1) = 8$ . Based on  $dk$  6 and the significant level 0.05, then the price of the Chi Square tables = 15.507. From these calculations it has been revealed et that Chi Square "Arithmetic" is greater than Chi Square "Table" ( $589.969 > 15.507$ ). Therefore,  $H_0$  is rejected and  $H_1$  is accepted. So, it can be concluded, there is a significant difference in the quantity of the loan/financing between the MFIs members in the coastal, industrial, and agricultural area. The data has showed 23% customers of the coastal area tend to have a greater quantity of the loan/financing per month, compared to the 20% of the industrial area and 20% of the agricultural area.



**Table 4. Quality of Loan/Financing**

		Quantity of Loan/Financing of Members					
		Rp.2.501.000		Rp.5.001.000		Rp.10.001.000	
		Rp1.001.000		0		Rp5.001.000	
		< x <		< x<		Rp10.001.	
		0 < Rp	Rp.2.500.00	Rp.5.000.00	< x <	Rp10.001.	Total
		1.000.000	0	0	Rp.10.000.000	000 < x	
The	Fishermen	2	25	19	14	0	60
Study	Industrial	11	17	20	12	0	60
Area	Agriculture	5	28	15	6	6	60
Total		18	70	54	32	6	180

Source: data processed

With the model consisting of the sample ( $s$ ) = 3 and the financing category ( $k$ ) = 4, it is obtained:  $DK = (s - 1) \cdot (k - 1) = (3-1) \cdot (4-1) = 6$  with the significance level of 5%. If  $X^2_{\text{arithmetic}} > X^2_{\text{table}}$ , then  $H_0$  is rejected and  $H_1$  accepted. So the price of  $dk = (k - 1) \cdot (r - 1)$ ,  $k$  = number of samples region,  $r$  = number of monthly types income. So  $dk = (3-1) \cdot (4-1) = 6$ . Thus, based on  $dk$  6 and 0.05 of the significance level, the value of the Chi Square table = 12.592. From the calculations, it turns out that Chi Square "Arithmetic" is greater than the Chi Square "Table" or  $242.820 > 12.592$ , thus,  $H_0$  is rejected.

**Table 5. Income Quality of Members**

		Quantity of Income of Members			
		Rp.501.000			
		0 <	< x <	Rp.1.001.000 < x	
		Rp500,000	Rp.1.000.000	< Rp.2.500.000	Total
The	Fishermen	20	25	15	60
Study	Industrial	4	22	34	60
Area	Agriculture	9	22	29	60
Total		33	69	78	180

Source: data processed

Thus, it can be concluded that there is a significant difference in family income per month between the MFI customers (members) in the coastal/fishermen area, industrial/residential area, and agricultural region. The data has presented that 48% customers in the industrial/residential area are likely to have a larger amount of monthly income, compared to 42% of the agricultural area and 27% of the coastal area.

With this formula which consists of sample ( $s$ ) = 3 and the financing category ( $k$ ) = 4, it is obtained,  $DK = (s - 1).(k - 1) = (3 - 1).(4 - 1) = 6$  with 5% of significant level. If  $X^2_{arithmetic} > X^2_{table}$ , then  $H_0$  is rejected and  $H_1$  is accepted. Thus, the price of  $dk = (k-1). (r-1)$ ,  $k$  = the quantity of the sample area,  $r$  = the quantity of spending per month. So  $dk = (3-1). (4-1) = 6$ . Based on  $dk$  6 and 0.05 of the significant level, the price of Chi Square table = 12.592. By the calculation, it turns out that Chi Square “Arithmetic” is greater than Chi Square “Table” or at range  $294.363 > 12.592$ . Thus,  $H_0$  is rejected.

**Table 6. Expenditure Quality of Members**

		Quantity of Expenditure of Members			Total
		0 < Rp.500.000	Rp.501.000 < x < Rp.1.000.000	Rp.1.001.000 < x < Rp.2.500.000	
The	Fishermen	26	26	8	<b>60</b>
Study	Industrial	14	29	17	<b>60</b>
Area	Agriculture	16	29	15	<b>60</b>
<b>Total</b>		<b>56</b>	<b>84</b>	<b>40</b>	<b>180</b>

This indicated, that there are significant differences at the family expenses per month between members/customers of cooperatives in the coastal/fishermen, industrial/residential and agricultural area. From the data, it can be seen that 43% members of cooperatives in the coastal area are likely to have a smaller quantity of expenses compared to 23% members of the industrial area and 27% members of the agriculture area.. Likewise, it also has been showed, that 28% cooperatives members of industry area are likely to have greater expenses per month than 25% members of the agriculture area and 13% members of the coastal area.

## Discussion

### The Performance of Financial Independence

The performance of the MFI financial independence can be measured by using the indicator of the financial sustainability in each area. With the reference to the Minister Regulation No 20/Per/M.KUKM/XI/2008 and assessment criteria of Ledgerwood (1999), for the coastal or fishing area was categorized “Healthy” (93.40 in KCP Pakuhaji, 85.90 in KCP Mekar Baru, and 79.90 in KCP Mauk). The NPL (non performing loan) was 0.03 in KCP Pakuhaji, 0.07 in KCP Mekar Baru, and 0.00 in

KCP Mauk. (KCP; Assisting Branch Office). As for the savings of their members, KCP Pakuhaji reached IDR 4,231,505,958; KCP New Bloom reached IDR 3,499,655,932; and for KCP Mauk reached IDR 2,073,590,000. Furthermore, for the finance portfolio, KCP Pakuhaji reached IDR 34,717,000,000; KCP Mekar Baru reached IDR 20,995,200,000; and for KCP Mauk reached IDR 20,240,600,000.

As for the area around the industrial residential region, the health levels recorded in category of "Healthy" and "Quite Healthy". KCP Jayanti reached the health level of 84.00, while KCP Kelapa and Bina Sejahtera reached 85.65 and 87.5 health level respectively. For the NPL, KCP Jayanti reached 0.24, KCP Kelapa reached 0.47, and Kopwan Bina Sejahtera reached 0.07. As for the deposits of members, KCP Jayanti reached IDR 680,005,000; KCP Kelapa reached IDR 37,160,000; and Kopwan Bina Sejahtera reached IDR 2,589,393,886. Furthermore, for the finance portfolio, KCP Jayanti reached IDR 20,690,100,000; for KCP Kelapa Dua reached Rp 3,047,888,000; and Kopwan Bina Sejahtera reached IDR 3,047,888,000.

Meanwhile, in the agricultural area, the health level recorded for the category "Healthy" and "Quite Healthy". For the healthy level, KCP Panongan reached 78.90, KCP Tigaraksa reached 84.90, and KCP Ciasuk reached 87.40. Further, the NPL rate for KCP Panongan is 0.11, KCP Tigaraksa is 0.24, and Bina Sejahtera is 0.23. As for the savings of members, KCP Panongan reached IDR 1,138,955,027; KCP Tigaraksa reached IDR 138,041,685; and KCP Ciasuk reached IDR 3,663,917,321. Furthermore, for the finance portfolio, KCP Panongan reached IDR 36,200,500,000; KCP Tigaraksa reached IDR 3,774,200,000; and KCP Ciasuk reached IDR 24,493,500,000.

Meanwhile, for the low NPL and high (liquid) Repayment Rate (RR) of loan/financing for the semi-formal MFI which is women membership-based as depicted in the financial statements of the MFIs, is strongly associated with the ability of institutions to implement the designed financing program which is compatible with members' needs.

At least, the reason is concerned with the following statements. *First*, interest rates of loans are not strangling high, in the range of 6% per year; *Second*, utilizing social capital owned by women; *Third*, members do not transaction in the office of the

MFI, but the officer of MFI itself is “proactive” in approaching the group and a center discussion, which had agreed to have weekly meetings in members' home as well as to members' home that can only be accessed by foot. *Fourth*, the member's recruitment process is according to Standard Operating Procedure. *Fifth*, the transaction and administration process is not complicated, and does not need to guarantee (collateral) in the financing process. *Sixth*, is the based communalism because it is developed in the group that has the similar vision and profession; *Seventh*, the products instrument consists of the various types or diversified according to the needs of members (not merely financing in the form of cash); *Eighth*, serving members with low financing cost; *Ninth*, the existing of social program.

Therefore, this study found evidence that the level of the MFIs' health and members' NPL is determined by the operation of the former formal institution factors designed (regulations, SOP, organizational mechanisms, reward and punishment, and the existence of informal institutions in the society (values, norms, and cultural factors). Thus, theoretically, the development of the semi-formal MFIs in the future needs to consider both aspects simultaneously.

### **Performance Improvement of the Welfare and Accessibility Members**

The measurement of the performance and welfare level can seen by the quantity of the loan/financing, income level, and the level of expenditure members using the discrete data. For the amount of the loan/financing, it was noted that 23% of customers in the coastal areas are likely to have the loan/financing per month greater than 20% of the industrial area and 20% of the agricultural area.

In addition to the financing of smaller-scale members IDR 500,000.00 < IDR 10,000,000.00, in the coastal/fishermen region also utilize other financing instruments which are offered by the semi-formal MFI, such as micro-finance products sanitation, micro scholars, and micro independent partners. It also indicates, women in the coastal/fishermen community are more aggressive in seeking the loan/financing and also have a sense of responsibility in the returns that indicated by the very low level of NPLs compared to other regions.

Meanwhile, at the revenue aspect of members, there are significant differences in the family income per month between the MFI members in each area. As the data showed, 48% female members in the industrial regions, are likely to have a larger in

number of monthly income, compared to 42% of the agricultural region, and 27% of the coastal region. This shows that women around the industrial/residential region who have a higher average income than in other regions (coastal/fishermen area and industrial/residential) do not take advantage of it to increase the loan/financing for the micro-scale enterprises. Naturally, the higher revenue was used for other activities.

Furthermore, for the expenditure aspect of the members, there is a significant difference between the monthly family expenditure of the semi-formal MFI members (women) in each area. Confirming the data, members of the semi-formal MFIs in 43% of the coastal area are likely to have less spending per month, than 23% of the industrial/residential area, and 27% of the agricultural area. It is showed, 28% of the MFIs in the industrial area are likely to have a greater amount of monthly expenditure than 25% of the agricultural area and 13% of the coastal area.

In the aspect of the range, the MFI in each area are using a base group and a "proactive" approximation, in which the MFI officers are attending these groups (the theory of "pick up the ball"). By using pattern-based joint liability groups and communalism, social association among members is very high and therefore it contributes to the financial performance for the members and the MFI.

With the above description of welfare indicators, can be explained that, *First*, coastal/fisherman area. In regard to the low level of public revenues, influenced by the type of activity. For example, to fishing, pond fishing business, and business management of the fishery are predominantly carried out by the general public, especially men. In addition, influenced environmental factors, the season and the market. The low level of income for coastal communities that making the woman involved sustained their economic activity. Found fact, many workers MFI members filtering fish, fish traders, and sorting fish, hygiene workers in the fish markets, trade of fish, sewing, trade grocery shop on the beach to serve the daily needs of the fishermen.

In general, community structure of coastal areas/traditional fishing is still simple and yet infiltrated by outsiders to make culture, way of life, and the relatively homogeneous community activities. In fact, in each individual feels have the same

interests and responsibilities in implementing and overseeing the conventional norms. Confirming Apridar, et.al (2011), the fishing communities/coast including women, exploiting the potential of the existing marine and has become a habit and the main way to meet the needs of coastal communities. These findings support the research expression Fisher in Agusni (2008)). Nevertheless, the condition of coastal's communities in general is still a traditional fishing communities are in a state or under the poverty line (Apridar, et.al, 2011).

*Second*, the area around the industrial estate/housing. Member MFIs (women) in the area have more choice in making the loan. This is because the bias is an urban area where the current is so high that the urban heterogeneity of backgrounds, including social and cultural varied. Similarly, the region has a level of spending that much higher. Given enough facilities available area around the residence of members, so that the life of the family members are also affected. In this study looks fact, the level of consumerism and family members very high it for consumption goods tertiary.

*Third*, the empowerment of agricultural areas. MFI members (women) are in the middle zone or comfort zone between the two areas. This explains why Scott (1999) says that farmers will always think safety first. With that picture looks level of income, spending, and borrowing member MFIs in agricultural areas is always in the middle position among coastal communities/fishermen with about residential/industrial area. In addition, agricultural cultivation culture in this region is getting narrowed due to conversion of land into a residential/industrial. Despite these lands largely untapped by larger companies. Members (women) of the public in this region to take advantage of seasonal dry land. *Fourth*, members of the MFI no longer make optimal use of land for subsistence. But has turned the same profession with the professional community around residential/industrial.

Meanwhile, in the performance aspect of accessibility (outreach) MFI to members in rural area shown three MFI semi-formal is at three areas (fishing/marine, industrial/residential, and agriculture) has no barriers to member. Likewise, members (women) of semi-formal MFIs are not concerned accessibility MFI. This is not in line with the Welfare Indicators in point 8 (eight), the Ease of Getting Transport Facility

(BPS, 2013) in which the BPS arrange level indicators, namely "Easy", "Enough", and "Hard". Easy accessibility, means both MFIs and members do not consider that accessibility be something difficult. Of course, this is different from previous research is reviewed Christen & Vogel (1995), MFI healthy is the MFI able to serve and accessibility member without seeing a "proactive" introduced Yunus (1999).

Some of the reasons that support why accessibility (outreach) semi-formal MFIs members (women) to run effectively, namely: *First*, the distance between *rembug* or a set of routine or weekly with members (women) very close. The approach is based Rukun Tetangga (RT) in which the distance between the homes of the other members are very close. *Secondly*, accessibility based on a commonality approach, where the atmosphere of physical proximity between neighbors is crucial accessibility semi-formal MFIs to members. Thus, the aspect outreach does not become a bottleneck in handling activities of member MFIs. Therefore, research in these three areas found evidence that poverty more burden borne by women (members). Thus, theoretically the massive scale poverty alleviation movement that involves participatory and democratic women is needed.

## CONCLUSION

The MFI independent financial performance can be measured applying the six following indicators: productive asset quality, efficiency, management, liquidity, independence/growth, and the identity of cooperatives. With these six indicators, then all the areas studied have the average MFIs' independence performance of ( $80 < x < 100$ ) or categorized as healthy. The coastal/fishermen region has the average score of 86.40, the industrial/residential region has the average score of 85.71, and the agricultural region has the average score of 83.73. Relating with the NPL, the coastal/fishing region has a mean-value of 0.03, then the industrial/residential region has a mean-value of 0.26, and the agricultural region has a mean value of 0.19. With indicators such as NPL, it is concluded that the NPL is very low, which means that coastal/fishermen region has a very low bad debts level. In performance-related welfare, for loan indicators, the coastal/fishermen region has a higher loan value than other regions. For the indicator of member's expenditure and revenue, the industrial regions have high levels of expenditure and revenue higher than other regions. While

for the performance and the MFIs coverage is performed based on a group basis and a "proactive" approach.

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