

Drawing up the balance

The influence of micro finance on women empowerment



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Preface

This research is written in the context of the pre-master Human Geography at Radboud University in Nijmegen. This research concerns a study into the effects of micro finance on women empowerment. Coming from a family which traveled the world for a long time, it was not a hard decision for me to go to Yogyakarta, Indonesia, for two months to study my research topic here. Also choosing my research topic did not take much time; for a very long time I have been very interested in gender issues and gender inequality and therefore it was an interesting way of looking at this topic through the ‘micro finance’ lens. And besides the travelling, also this topic runs in the family. When you Google on Piening you will find some interesting relationships concerning gender equality, although very different from this topic. Even though I quickly knew what the subject was supposed to be, it took some time to get started and at first, I found it difficult to find my way. Some minor problems and a stolen laptop did not make it easy to work on my thesis at first, but in the end, I can look back with a good feeling on this thesis.

Coming from HBO university and working for one and a half year at the Euregio in Kleve, Germany, it was a hard decision to go to university again but this whole year has positively surprised me and with the icing on the cake being my trip to Yogyakarta.

I would like to thank my supervisor Martin van der Velde for the support and help during my research process, all respondents for the interviews, Estu and all other who hosted us at the Gadjah Mada University and all friends and family who had taken the energy to read my (sometimes bad) chapters endlessly.

Working on my thesis was sometimes hard, sometimes fun: overall it was an interesting project.

Thera Piening

Nijmegen, 18 July 2018

Abstract

Despite the fact that women occupy fifty percent of the world population, they still have a disadvantaged position in today's society. This is also the case in Indonesia, because of the patriarchal society people are living in. Women are seen as caretakers, whereas men are meant to act as bread winners of the household. Even though Indonesia has the largest economy of Southeast Asia, and one would expect that women are also contributing in this economy, this is unfortunately still not the case. In order to strengthen the (economic) position of women, many initiatives in the field of micro finance have been created. Given the fact that many different programs and agencies have been set up, a study has been conducted into the effect of micro finance on women empowerment, to see in what ways this is happening and what the effects are: to draw up the balance. The aim of this research is to see if women empowerment, and how, is affected using micro finance in the city of Yogyakarta and the following research question is set up: *What is the impact of micro finance on the empowerment of women in Yogyakarta, Indonesia and how can it be explained?*

To answer this main question, a qualitative research was carried out by means of a literature research and a case study. The reason chosen for this is to gather in-depth information about the impact of microfinancing on women's lives. The case of the research has been demarcated to a community in the city of Yogyakarta, namely Brontokusuman. This is one of the neighbourhoods within the city that has been labelled as a best practice community on micro finance. The aim of this research is *to see if women empowerment, and how, is affected using micro finance in the city of Yogyakarta*. Based on this goal, the following research questions have been chosen: 1). What is the status on women empowerment in Yogyakarta? 2). What is the status of micro finance in Yogyakarta? 3). How does micro finance influence women empowerment? And why?

The data is collected through desk research and a literature study, as well as semi structured interviews and a focus group interview. The studied literature gave a good overview of theory that later has been applied to the collected primary data, followed by a thorough analysis of the results.

Based on the analysis made with primary and secondary data, it can be said that the researched area did certainly change and developed after receiving micro finance. Especially when looking at the houses from the in- and outside; a clear and positive change is visible. All the major changes, such as infrastructure, electricity and water did not come from micro finance, but were mostly paid by the government through other funding. Besides the fact that micro finance made some changes in the community, it also has a positive outcome on women empowerment. Women in the community state that they got more (economically) independent, are now able to make more choices on their own and have entered more leadership positions in the community. Overall, the interviewed women have a positive feeling and a positive view on the future for women in Indonesia with the main message being that they have become stronger and that women are an important part the future of Indonesia. Although

the outcome in the community and on women empowerment is mostly positive, there are also some comments to make. Firstly, the way the micro finance program is put into practice within the community is not very effective. According to micro finance models, the best way to teach women finance skills is by working with deadlines to pay back the loan. Within this community, the president pays back all the loans, regardless of women having the money or not. In this way the community also got the name of 'best practice community', which is not entirely correct since this is cheating. Second, looking at women empowerment, it does have a positive outcome on the perception of the women. However, looking at the changes that could also be made, such as the roles of men and women in the household, not much has seemed to be changed. Women remain responsible for the household and caretaking roles. One can state that women got more opportunities to develop themselves, but at the same time, little has changed, and women got even more tasks because they now also need to take care of their businesses.

Despite the mostly positive outcome of this research, there are also some limitations to consider, such as the language barrier one had to deal with during the interviews and the limited research area and the fact that only one micro finance institution has been researched, instead of multiple. Other limitations one should take into account, is the fact that it was hard to find appropriate literature on the topic of micro finance in Yogyakarta. Besides these points, also the fact that not all aspects of empowerment have been taken into account, can be seen as a limitation.

Some recommendations have been made for follow-up research to see if the outcomes and conclusions of this research are reliable and relatable. To improve the life of women, awareness among men should increase by developing programs focused on gender issues. Another recommendation made is further research on this topic, since the scale of this research is limited, and conclusions represent just a small part of Yogyakarta.

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1. Introduction

1.1. Project framework

The current world population has reached high numbers; at the moment, there are over seven billion people living in the world. According to the latest numbers of 2013 by The World Bank Groups, half of the world's population (three billion at that moment) were living on the income of less than 2,50 dollars a day. Data shows that the gap between the 'rich' and the 'poor' is widening in almost every region of the world over the last four decades (World Inequality Report, 2018). The report shows that, since 1980, the top 0.1 percent of wealth owners, about seven million people, earned as much as the bottom half of the adult population, which are over 3 billion people. 'Poverty could be the root of other social problems', is what Aristoteles once said; reducing poverty might solve other social problems like gender inequality.

Indonesia is the largest economy in Southeast Asia. The government has worked on poverty reduction by cutting the poverty rate with more than half since 1999, to 10,9% in 2016. Unfortunately, poverty remains an issue in the country. Out of a population of 252 million, more than 19 million Indonesians still live below the poverty line, living from an income of less than 1,90 dollars a day, and approximately 40% of the entire population is teetering on the edge of falling into poverty (Worldbank, 2018).

In the past years, there has been a reduction people living in these circumstances, but it remains a problem since the high number of people living in these conditions. In particular, Indonesian women are vulnerable to fall into poverty. Instead of working, women choose to stay at home because society has posited that household tasks and raising children are tasks for women. What follows, is that women are not educated enough and overall have less access to education compared to men, do not meet educational qualifications demanded for a job and most of the times they did not freely choose to remain at home to fulfil their house hold tasks (Surbakti & Devasahayam, 2015). Above all, women earn less than men and are subject to discrimination, reasons to more easily fall into poverty (Worldbank, 2018).

1.1.1. Micro finance

In 2015, the United Nations adopted the Sustainable Development Goals (SDGs) to enhance international development, to end poverty, to protect the planet and to ensure prosperity for all. The SDGs exist of seventeen goals, each having specific targets to be achieved over the next 15 years. Before the start of the SGD's, the UN had introduced the millennium development goals, with micro finance as financial development goal. The primary goal was reducing poverty by the use of micro-credit. As a result, this financing instrument has shown to be an effective means against hunger and poverty, mainly in developing countries. Although the SDGs do not directly focus on micro finance, financial inclusion, can help to achieve the SDGs (Klapper, 2016).

Micro finance is a tool that is used in poverty alleviation. It is a financial service that provides small loans to the poor to start or expand their small business so they can improve their living standards and alleviate poverty. Micro finance is an economic service provided by banks, governments and NGOs, but also (commercial) banking systems. Mostly women make use of micro finance. The reason therefore is that it is a useful tool to create more women empowerment; improving the economic, social and political strength of women, create more confidence for women to make their own (economic) decisions and feel that they have control over their own lives (Shakya, 2016).

Micro finance is not a new concept; the informal beginnings of micro finance have originated in a number of European countries around the eighteenth and nineteenth centuries where it was a form of banking for the poor. The early history of micro finance can be traced back to Ireland to the eighteenth century where it started as self-help financial innovation, which lead to financial improvements. Micro finance has a long history in Asia as well, for example in China, India, Indonesia and the Philippines (Bedson, 2009).

An example which shows the relationship between reducing poverty and micro finance is the Grameen Bank in Bangladesh, which origins can be traced back to 1976. Muhammad Yunus set up the Grameen Bank as an experiment and provide loans to the poor in Bangladesh. The bank focuses on women and would only lend to the poorest in rural areas (Teng, Prien, Mao, & Leng, 2011). Indonesia is another good example of where micro finance takes place successfully. Several governmental and commercial organizations are concerned with micro finance in both rural and urban areas. First of all, there is a distinguish to be made between banking and non-banking sectors. The banking sector is divided in different banks, for example the Indonesian state bank, but there is also a difference between Islamic and non-Islamic banks. The banking sector is largely involved in a lot of micro finance projects. Second there is the non-banking sector, which is mainly supported by the government (formal) with different departures within the government which deal with micro finance on different levels. Finally, there is also the non-formal non-banking sector, which are mostly small NGOs and sometimes foreign organizations which have micro finance projects. f

1.1.2. Women empowerment

The level of poverty is almost always linked to financial status and to economic development, but there are more ways to measure poverty, for instance through social and natural resources of people and sustainability (Fallavier, 1998). Women's empowerment is one of the most important factors contributing to sustainable development in the Global South (Cornwall, 2016). Promoting women empowerment and widening their contribution in decision-making roles are key strategies for sustainable development, acquiring more political power, developing more financial independence and personal security (Singhal, 2016). A logical step is therefor that women empowerment is becoming more and more a central element in the development policy. One of the other United Nations Sustainable

Development Goals is ‘achieve gender equality and empower all women and girls’ (goal 5). As stated by the UN: *“Providing women and girls with equal access to education, health care, decent work and representation in political and economic decision-making processes will fuel sustainable economies and benefit societies and humanity at large”* (United Nations, 2018).

More than half of the world’s population is women, but their contribution to for example economic activity, growth and wellbeing is low. In many countries across the world, men’s participation is greater than women’s participation on the labor market, and this is also the case in Indonesia. This problem mostly arises from the gender ideology that demands that women are caretakers and men are breadwinners of the household. Looking back at the last 30 years, women are now more engaged in the labor market than before, but the proportion of women who are not in labor force is still low: about 74,7% of the women are not in labor force (Surbakti & Devasahayam, 2015). There are different ways of developing more women empowerment to make a change, such as (Global read, 2018):

- Creating a safe space for women to gather with other women and talk about issues
- Supporting independency and mobility
- Teaching women to read
- By increasing their savings and income
- Give them opportunities to develop more job and business skills
- By building more self-esteem and confidence
- Giving them more decision-making powers
- Building networks
- Creating public leaders

There are also different ways to boost these above-mentioned points, such as education, Self-Help-Groups or the Internet as Tool. Another way of creating more women empowerment is through the help of micro finance. An example of micro finance and empowerment is given in the research of Chhay (2011), who researched women’s economic empowerment through micro finance in Cambodia. In this research. This research shows that the micro finance provided, had an effect on self-employment. There were a number of new businesses created by the women, after receiving their loan. Examples are home businesses, animal farms and small-scale cultivation. By receiving the loan and creating a small business, the overall well-being of the family improved, as well as the economic conditions.

1.2. Relevance

Despite the fact that Indonesia has the largest economy in Southeast Asia and has an economic growth since the overcoming Asian crisis, the country is still considered a middle-income country. Out of population of about 250 million people, which makes Indonesia the fourth most populous country in the world, more than 28 million people live below the poverty line, and approximately 40 percent of the

population remains vulnerable of falling into poverty and especially women are a risk group (Worldbank, 2018). Women in Indonesia still every day face adversities and especially those who live beneath the poverty line. The women population is around 50% of the world population, but a large number of these women are still discriminated and abused. Therefore, across the world, women empowerment is a topic that is becoming more and more important and no difference for Indonesia. The Indonesian government supports women's empowerment programs but despite the work, women across whole of Indonesia still camp with domestic violence, poverty and less chances.

A lot of different programs, such as micro finance programs, focus on women empowerment by giving women access to education, health, employment to increase a higher standard of living. By giving women a chance and stimulating women empowerment, their social, economic and political involvements will improve and increase. Gender-inequality will decrease, leading to an equal society one day. Entering the labor market with the help of micro finance, makes women more empowered; they become more socially developed, have the feeling they are more able to make their own (economic) choices and feel stronger. Not only for women themselves it is a good step, it also ensures more economic growth what leads to more sustainable development in the country. Empowering women helps women to get in more representative roles and help them to get across more decision-making roles. In the end, by providing loans to women, what makes them more empowered, women become more active participants in the economic, social, political and cultural arenas of the country, what brings more development (Bayeh, 2016).

Micro finance has a great impact on the lives of people, in particular women. Researchers, NGOs and banks have been working to reach the people who don't benefit the financial system. Women empowerment is an important issue that needs to be addressed more. It gives women more economic and decision-making powers.

It turns out that a lot of scholars and research is focused on micro finance and microcredit in Indonesia, as well as the effects that it has on poverty and women empowerment. Nevertheless, research on the effects of micro finance and women empowerment in Yogyakarta is still nonexistent, first of all, because research has always been conducted in more rural areas and not necessarily in cities. Secondly, when people think of women empowerment in (Southeast) Asia, researchers usually look at countries such as India, because problems here are even bigger. It is important to come to an understanding how micro finance can contribute to women empowerment and how this influences the life of women.

As mentioned, there is no research done on this topic in the specific area of Yogyakarta, therefore it's scientific relevant to conduct this research and come to understandings on the current situation in Indonesia in the field of micro finance and how this affects women empowerment. To understand what the effects of micro finance on women empowerment are, it is important to understand the roles women had before and after the program. When looking into the scientific relevance of this study, two

contributions are found. First of all, the results can give insights on the effect of micro finance on women empowerment in Yogyakarta. if the results of this bachelor thesis will be that women get more empowered by the use of micro-financing, the research could be applicable to other areas or countries where women empowerment is less successful. On the other hand, if the results of this research turn out to be negative and these factors do not contribute to more empowerment in Yogyakarta, it would be useful to research other ways in organizing more women empowerment. The best positive outcome would be that there is no need for women empowerment, because women are more or less equal to their male counterparts. The ways through which this is achieved, could then also be applicable in less empowered areas or countries.

1.3. Main goal

This research will make clear if, and in what way, micro finance effects poverty reduction and empowers women. This is a theory-oriented study, because the aim of this research is to make a useful contribution to the formulation of theories surrounding this theme (Verschuren & Doorewaard, 2007). The case to be studied will serve to clarify the topic in development. The goal is thus as follows:

The aim of this research is to see if women empowerment, and how, is affected using micro finance in the city of Yogyakarta.

1.3.1. Research questions

Based on the goal, the main question of the research is formulated. The main research question has been divided into multiple sub questions. The research question and the sub questions will be discussed in this chapter.

What is the impact of micro finance on the empowerment of women in Yogyakarta, Indonesia and how can it be explained?

1. What is the status on women empowerment in Yogyakarta?
2. What is the status on micro finance in Yogyakarta?
3. How does micro finance influence women empowerment? And why?

2. Theory

This chapter discusses the key concepts within this research. First the terms structure, agency, gender(roles) and patriarchal society will be discussed based on the structuration theory of Anthony Giddens. Second, micro finance and the link with women empowerment will be discussed. After this, the term micro finance and underlying concepts of micro finance will be drawn up. Finally, women empowerment and the associated other concepts, such as women's economic empowerment and the difference between these concepts will be reviewed. Underlying theories, knowledge and insights are described. The most important concepts will be underlined to be able to answer the research question. Based on different key concepts, a theoretical framework is developed, to understand in which ways micro finance effect women's empowerment and the area the women live in.

2.1. Theoretical framework

2.1.1. Structure, agency and gender

Everyday life exists of all kinds of structures such as economic, political and gender structures. According to a lot of structuralist thinkers, social structures exist outside individual motives and they aren't created by human actions (Risman & Davis, 2012). To explain the gender structure within society, the structuration theory of Giddens will be used. Giddens believes that social structures are created by human action and that people react on these structures. In his theory, Giddens explains how people (*agents*) are structured in their behavior. Giddens (1984) states, that structures are creations of people, within which participation takes place. It is a system that people create themselves, while the system also forms people in their behavior. The term 'agency' refers to individuals that act independently and make their own free choices, whereas the term 'structure' covers the (social) rules, such as social class, religion, gender, ethnicity that limit the actions of agents (Luttrell, 2009). Reproduction also takes place through rules and resources; rules are not based on generalizations of what people do: rules are the instrument of production and reproduction of practices, whereas resources are the instruments of power; structures are supremacy. In addition, Giddens (1984) states that structures form the basis for power and self-awareness of people. For example, gender stratifications give people a sense of identity and certainty of their positions in the world, but also limits men and women to behave in a certain way. According to Giddens, agents within a structure are also able to transform the situation; the situation they are in, is not fully structured. This is where the duality of structure comes into play: "*structural properties of social systems are both the medium and the outcome of practices that constitute those systems*" (Giddens, 1984:64). In other words, Giddens shows that the actions of people, such as relationships, practices and society relate to the reproduction of structures. That is why Giddens shows that structure is not only limiting, but also empowers change within the society. Agents intentionally and unintentionally reproduce social structures and small changes can take place in the process. Agents

have motivations to act and are capable of rationalization (Turner 2005). Agents play an important role in these changes; they create, re-create and transform social structures. Gender inequality is produced, maintained and reproduced at each level of society but agents can change structures by taking decisions and executing actions to change structures.

2.1.2. Gender roles

To come to an understanding of what gender inequality is, it is important to understand the context of gender and gender roles. Gender roles are a set of social and behavioral norms that are considered to be socially appropriate for individuals of a specific sex. The perception of gender roles is associated with the behavior of a particular gender within a culture. Gender roles are mostly very dominated in society in general and specifically in family context and because of stereotyping gender roles, members of a society take that certain role; men and women are learned specific roles and associate these roles with genders (Crespi, 2003). In this context, the structuration theory of Giddens can be applied, and gender can be conceptualized as a structure. According to Risman & Davis (2012), gender is deeply embedded in various layers of a person: on an individual level, in our cultural rules and in institutions and at these levels gender inequality is produced, maintained and reproduced. Firstly, on an individual level, men and women carry out a certain gender identity and develop themselves in that certain way. On the one hand, this gender idea is internalized; the general assumption of values imposed by others, people strongly believe in (Turniel, 2003). On the other hand, it is also a biological process with certain differences between men and women, for example only looking at bodies (shape and size). On cultural level, men and women face different cultural expectations and shape what they expect from each other. Finally, institutions also keep gender structures in place because in these institutions cultural logics is deeply embedded, although there has been changes in understanding sex and gender over time (Risman & Davis, 2012).

2.1.3. Patriarchal society

Another way of linking Giddens structuration theory to women empowerment and gender roles, is looking at the roles women have in Indonesian society. Research has shown that Indonesia is a patriarchal society. Since Yogyakarta is not considered as a region that differs from the Indonesian average statistics, this research assumes that results based on Indonesia, are also applicable to Yogyakarta. As Rawat (2014) states, a patriarchal society is a social and ideological construct which considers men as superior to women and imposes stereotypes in society what determines the power relation between men and women. Women's position is different from men's position in society: men feel superior and tend to dominate women. A patriarchal society can be seen as a structure, with social relations between classes and sexes, which all influences each other. Important elements from this structure are the gender division in several areas, such as labor market, institutions that regulate gender relations (the iguregovernment), but also gendered norms and values within a society (religion and

culture). As (Arens, 2011) states in her research, religion and culture are important elements in shaping gender structures within a patriarchal society: it is a reflection of existing class and gender relations, but in turn, they can also modify certain gender relations because norms and values, beliefs and sexual mores are important elements inside a culture and a religion. As Giddens states, agents can change the structure they live in, themselves, by agency and by taking action. Research of Arens (2011) shows that it is not always easy for women to break out a certain structure. Women living inside a patriarchal society, live by certain expectations, and therefore they often choose to comply with existing gender norms, because they may fear going against norms, which can cause greater damage. This on the contrary can be seen as some sort of power a woman takes, because there is the ability to choose and to use her agency or not. Another reason why women choose not to act, has everything to do with living in a patriarchal structure; women depend on men for their livelihood. Looking at Indonesia, Sarwono (2012) states, that women in Indonesia are considered passive members of society. This tendency can possibly grow and be produced and reproduced by women, which maintains gender inequality in Indonesia. According to Rachmah (2001), the transformation of Indonesia is still considered problematic when it comes to women. Often, women in Indonesia face a dilemma; whether to behave in a traditional manner or become a 'modern' and more emancipated woman. Society still holds on to the traditional Javanese norms and values which are stated as being a patriarchal society. At the same time, women want to be more developed and modern according to the values of the Western culture. Because of this, women in Indonesia try to be both traditional and modern at the same time. There are also many women who see themselves only as mother and wives and are not, or almost not involved on the labor market which makes them economically dependent of their husbands. Rachmah (2001) shows that the New Order government¹ created a program, called the PKK (Pembinaan Kesejahteraan Keluarga) which 'designed' the role of Indonesian women, namely increasing the welfare and health of the family. Traditionally, women in Indonesia only had caretaking roles and even in the nineties, these roles did not change, and women were encouraged to be housewives and stay in these roles. Such programs produce and reproduce gender inequality and it shows a patriarchal system, which has serious consequences for women inside such societies. As Rachmah (2001) debates, many changes in Indonesia have taken place and the patriarchal society and its structure have been questioned many times. Although the role of Indonesian women changed, and there is an increasing number of women who now take part in economic and political spheres, the situation in Indonesia is still problematic for women. As Wallentin & Ranjula (2009) discuss in their paper, women empowerment in Southeast Asia is a process in which women challenge existing patriarchal norms and values to make a change. Improving women's agency is crucial for the empowerment of women. Before explaining and defining women empowerment, it is important to understand in what ways women's agency can improve.

¹ The period between the 1960s and 1990s

Kabeer (1999) defines agency as the “*ability to define one’s goals and act on them*”. Golla, Malhorta, Nanda & Mehra (2011) describe agency is to have the ability to make and act on decisions and control resources and profits. Agency is closely related to empowerment, because it gives women the ability to take action. This is the way Sen (1985) describes agency: “*agency is the freedom to achieve whatever the person, as responsible agent, decides he or she should achieve*”. There are different ways of improving women’s agency, such as through micro finance.

2.1.4. Micro finance

In the literature, there are a range of terms for defining micro finance. Nilsson (2010) describes micro finance as a form of financial development that primarily focuses on alleviating poverty through providing financial services to the poor and includes insurance, transactional services and savings. As Amudha & Vijaya Banu (2009) state that micro finance is a strategy that involves the provision of a broad range of financial services, for example loans, deposits, payment services, remittances, pension and insurance to poor and low-income households. Micro finance involves the supply of financial services to poor or low-income earning individuals and companies, with no collateral, often repayable within 6 to 12 months, micro-savings and micro-insurance (KPMG, 2015). Cornford, (2001) defines micro finance as “*offering a broad range of financial services to low-income micro-enterprises and household*”. Micro finance is the broad concept that offers many poor and near-poor households permanent access to an appropriate range of high quality financial services, including not just credit, but also savings, insurances and fund transfers (Christen, 2004). Micro finance is an economic tool that is used to develop certain areas or countries by providing financial services to low-income clients, who are mostly women. Many Micro finance Institutions (MFI) do not only provide loans, but also provide socio-economic activities for development, such as training, skill development and education (Khan & Rahaman, 2007).

Micro finance and microcredit

To be clear, microcredit is just one component of micro finance. The definition of micro finance is broader than microcredit, but providing loans is the most important form of microcredit (Cornford, 2001). The loans and savings for poor clients are small, so that they are ‘bankable’; they can repay, both the principal and the interest on time and make savings, provide financial services and tailored to suit their needs. According to (Murray & Boros, 2002) micro finance products exist of:

- Little amounts of loans and savings
- Short-term loans (usually up to the term of one year)
- Payment schedules attribute frequent instalments (or frequent deposits)
- Instalments for both the principal and interest consist in course of time
- Easy entrance to the micro finance intermediary saves the time and money of the client and permits the intermediary to have a better idea about the clients’ financial and social status.

- Application procedures are simple
- Short processing periods (between the completion of the application and the disbursement of the loan)
- The clients who pay on time become eligible for repeat loans with higher amounts
- The use of tapered interest rates (decreasing interest rates over several loan cycles) as an incentive to repay on time.

Micro finance models

Micro finance Institutions (MFIs) are organizations that provide financial services to the poor and they use different models of micro finance. This section will show the four most important models.

Grameen model

The Grameen Bank of Yunus Mohammed is seen as the most important driver behind microfinancing (Armendariz, 2010). The Grameen bank helps the economically poor in rural Bangladesh, by providing them financial services, such as loans and savings. As of December 2017, it had 8,93 million borrowers of whom 97 percent are women. The Grameen Bank provides services in 81,400 villages (The Grameen Bank, 2018). The bank developed two principles that had an important effect on the success of microfinancing: providing loans to women and the principle of the so called ‘group credit’, which creates social pressure to pay back loans (Cull, 2009). Providing loans to women turned out to be a success: women are more reliable clients than men because they take less risks, are more sensitive for group pressure and use the credits for the family welfare (Armendariz, 2010). Because micro finance was now mainly focused on women, the idea arose that two changes could be realized at the same time: reduce poverty and empower women (Lakwo, 2006).

The Grameen model became an important model when it’s evident showed that low-income people also can pay back their loans on time and save money. The model essentially follows the following methodology:

A bank is set up in an area with a field manager and several bank workers. The bank covers an area of about 15 to 22 villages. To start providing loans, the staff needs to familiarize themselves with the area and village in which they will be operating and identify women for loans. Furthermore, they explain the purpose, functions and mode of operation of the bank to the women. The Grameen Bank (GB) is based on voluntary formation.

In the first step groups of five borrowers are formed. The groups are mutual; they need to have the same economic background and social status. Only two of them will receive a loan and the group will be observed for one month to see if they are confirming to the rules of the bank. If so, after the first month, the other group members become eligible for the loan. They are then given training for electing their

own president, secretary and how to arrange a meeting. Besides that, they also learn how to cooperate with other groups. All the groups together choose a center chief and a center group leader.

Besides loans, the bank also emphasizes on savings, which is used as a tool to prepare the borrowers to manage their credits. To succeed, each borrower in a group must save at least \$0.68 in a week. Additionally, 5% of the amount of every loan should be set aside, which will be saved as a group fund, managed by a group. The group fund provides emergency and social loans to its members (Khan & Rahaman, 2007).

Group based lending is one a good approaches of lending small amounts of money to many people. The size of the groups varies between four and eight members. Before loans are provided, the groups can select the members themselves. Group members are all accountable for the repayment of each other's loans and usually meet weekly to collect repayments. It works well because peer pressure and liability are important factors within this method. Also, when one group member fails, the entire group will be disqualified and will not receive any further loans.

Individual Lending Model

Within this model, the loans are given directly to the individuals without group memberships. This model is mostly used in urban-based productive activities and other existing income generating activities (Shodhganga, 2016). This model is in many cases part of a larger so called 'credit plus program'; other socio-economic activities and services are provided, such as skill development, education and training (Srinivas, 2015).

Village banking model

The Village banking model was established in Bolivia in the mid-1980s by an NGO called The International Community Assistance. This model works with groups of around 30 to 100 individuals, usually all women, who receive credits from a Micro finance Institution. Although, it works slightly different. Within this model the MFI lends the fund to a village bank, which then lends money to its members (Shodhganga, 2016). The sponsoring MFI spends around three months setting up a bank and together with the group members, elections of the management are organized, as well as staff training and developing rules and regulations to govern the village bank (Fotabong, 2011). Every loan is repaid on a weekly basis over a four-month period. At regular meetings the payments are collected by the bank. At the end of the program, the 16th week, the village bank pays entire loan and the interest to the Micro Financing Institution. If the village bank pays the full amount of money, they can receive a second loan. If the bank is unable to fulfill the amount, the micro finance stops until the money is paid (Fotabong, 2011).

Community banking

That there are different models used for micro finance, may be clear. The main model that applies to this research, is the so-called Community Banking Model. This model basically treats a whole community as one unit and establishes semi-formal or formal institutions through which micro finance is divided. This model is usually formed by the help of NGOs or other (governmental) organizations, who also train the community members in various activities, such as financial management. Not only micro credit is used within this model; also saving components and other income-generating projects are included in the program. Community banks are usually part of larger community development programs, which use finance as a way of development. Typically, community banks consist of 25 to 50 low-income individuals who try to improve their lives with the help of such activities. The intention of this model is to develop the financial management skills of the community. To do so, usually a mini-bank is created, which is owned and managed entirely by the community (Bedson, 2009).

2.1.5. Women empowerment

Empowerment is a complex concept. *To be disempowered* means that people are not able to make decisions that influence their own lives. When people are *empowered* it means they are now able to do make their own decisions regarding their own live. Empowerment is seen as a process that has more than one dimension; women's well-being, schooling, health, labor participation, mobility and ownership of clothing and assets. Empowerment dimensions can be seen as both absolute and relative. Relative empowerment can be seen as the process of improving the positions of women relative to men within the household; taking control over household incomes and assets and over loans (Hatta, 2012). Agency is a way to define women empowerment. Agency is the process of decision making, negotiation, deception and manipulation (Kabeer N. , 1999).

Women empowerment is described differently by researchers throughout the scientific world. Bhuyan (2006) gives a general term of women empowerment: women empowerment means 'to provide women access to all the freedoms and opportunities. Mayoux & Harti (2009), describe empowerment as 'change, choice and power'. Vijayanthi (2002) states that the meaning of empowerment is 'becoming powerful'. What is an important fact stated by this research, is that empowerment is a process whereby women become able to organize themselves to increase independency, to be able to make their own choices and control their own resources. Finally, it is stated that empowerment should give women more freedom of choice, equal access to domestic and community resources, opportunities and powers. As Torri & Martinez (2014) state in their research about women empowerment linked to micro-entrepreneurship in India, is that "*economic participation is one of the most important aspects of women empowerment which is expected to generate increased self-esteem, respect and other forms of empowerment for women beneficiaries*". The research of Singhal also shows the link between employment and financial independence, where more than 80% of the women who work, questioned in that particular research, state that they can decide how their earnings will be spend. This is just an example of some independent choices women can make when they are more empowered. Singhal

(2016) states that women are underprivileged in many countries and that they for example are excluded from decision-making processes.

Women empowerment is one of the factors contributing to development. Women who are more empowered, are able to contribute in decision-making roles, gain more (political) power and develop more (financial) independency (Singhal, 2016). There are different methods on how women can gain more empowerment; acquiring assets and properties, by holding jobs as well as increasing entrepreneurial skills, enhancing personality, as well as acquiring land, achieving mental strength, courage and building confidence among themselves (Mandel, 2013). Research states that there are different ways to define the term of empowerment, however, there are five main ways to empower women; social, educational, economic, political and psychological empowerment. The main women empowerment aspect that will be highlighted in this research and that is emphasized, is women's *economic* empowerment.

2.1.6. Women's economic empowerment

This research will only focus on one of the ways of empowering women, not only because micro finance programs do really focus on economic empowerment and less on other aspects, also because this bachelor thesis is simply too small to cover all other aspects. Economic empowerment is not only an important factor for women themselves. It is also seen as a factor for more sustainable development and poverty alleviation. Empowered women are catalysts for multiplying development efforts and therefore it is one of the highest returns in investments (UN women, 2017). According to Golla, et al., (2011), there is increasing recognition that women can benefit economic growth, better health, education and welfare when they are economically empowered. Besides, not only women, but the society as a whole can benefit from women's economic empowerment. One of the reasons is because it directly leads to poverty allocation. Through economic empowerment, women and girls are able to be contributing members of households with their own economic independence (Mandel, 2013). Mandel (2013) describes being economic empowered as a means by which poor, landless and/or oppressed people of all societies can be freed and can directly enjoy the benefits and fulfill basic needs such as housing, cloths, medicine and education. It can also be described as gaining greater share of control over recourses – capital, human and social, but also control over decision making in the home, community and society. Being economically empowered is defined as the ability to succeed economically, but also that women have the power to make and act on economic decisions. Women have the power and agency to benefit from economic activities; to have the ability to make and act on decisions and control resources and profits (Golla, Malhorta, Nanda, & Mehra, 2011). By supporting economic empowerment, the potential of women can be raised to the same level as men and women can function as the 'agents of change' and force development in the country (Surbakti & Devasahayam, 2015).

2.1.7. Micro finance and women empowerment

The basic idea of micro finance is providing financial assets to those who are poor and would normally not have any access to such services. Many studies show the impact of micro finance programs on women empowerment in different countries like Bangladesh, India, Pakistan and many other South (East) Asian countries, but also countries in South-Amerika and Africa. In the literature, the positive impact of micro finance is discussed and various authors have discussed the different dimensions and effects of micro finance on women empowerment. A number of these studies show that micro finance has led to greater levels of women empowerment; economically, development and new (economic) skills (Bansal, 2010). Cheston and Kuhn (2002) conducted research on micro finance and women empowerment in Nepal and showed that an average of 68 percent of women in the program experienced an increase in their decision-making roles, such as family planning, marriage and buying and selling property – these areas were at first dominated by men only. What this research also states, is that women were able to purchase small personal belongings, such as groceries or other small items. As (Mayoux & Harti, 2009) show in their research, micro finance does not only reduce poverty and insure financial sustainability, it also develops economic empowerment, increased the well-being, social and political empowerment for women and addressing goals gender equality. Giving women access to micro finance programs, leads to more economic empowerment and roles in the household may improve, especially looking at financial management of the household.

Golla, Malhorta, Nanda and Mehra (2011), show the link between economically empowering women and increasing economic growth, poverty reduction, education and welfare. As they state, it is an important way of improving not only the situation women live in, but also developing a region as a whole and meeting poverty-reduction goals - women are the majority of the world's poor. Micro finance economically empowers women by increasing the resources for women and contributing to norms and institutions. Resources are the medium through which agency is exercised and are distributed through institutions and relationships in society. Resources according to Giddens can be defined as power over people and materials (Lippuner & Werlen, 2009). Resources are capital and sources of power that women have. It can be both individual and collectively. Resources also consist of healthcare, safety and security, financial and productive assets, knowledge, skills, time and social capital (Newton, Pennington, Tyszler, van Eerdewijk, & Wong, 2017). Within institutions, for example, there are certain actors who have privileged roles compared to others. If women first only have access to resources depending on their husbands, their capacity to making their own choices is very limited (Kabeer N. , 2005). Helping women using micro finance programs can most likely change the gender relations. Embodied ideas, values and identities will be hard to change but by giving women resources; ways to exercise power and agency, and through this, give them control over resources, women are able to get more economically empowered and act on economic decisions.

2.2. Conceptual framework

In this section, the conceptual framework will be explained. Figure one visually represents the assumed relationship between societal influences, such as patriarchal society and gender roles, on the term ‘women empowerment’. Theory shows that these societal influences more or less change women empowerment. Besides that, it is assumed that theoretical structures influence these societal aspects. In this research, structure and agency based on Giddens theory is therefore used. Structure and agency shape human behavior and therefore, in this figure, it affects all social aspects. Also, structure and agency have an influence on each other: structure on the one hand is influenced by agents and their agency, but also by the structure agents already live by (patriarchal society and gender roles). On the other hand, agency is influenced by structure: people do what they do and think what they think because of a certain structure, but this agency can be changed by other factors, such as micro finance. The focus of this research is therefore, in what ways micro finance can influence women empowerment, while applying Giddens’ theory of structure and agency on these topics.

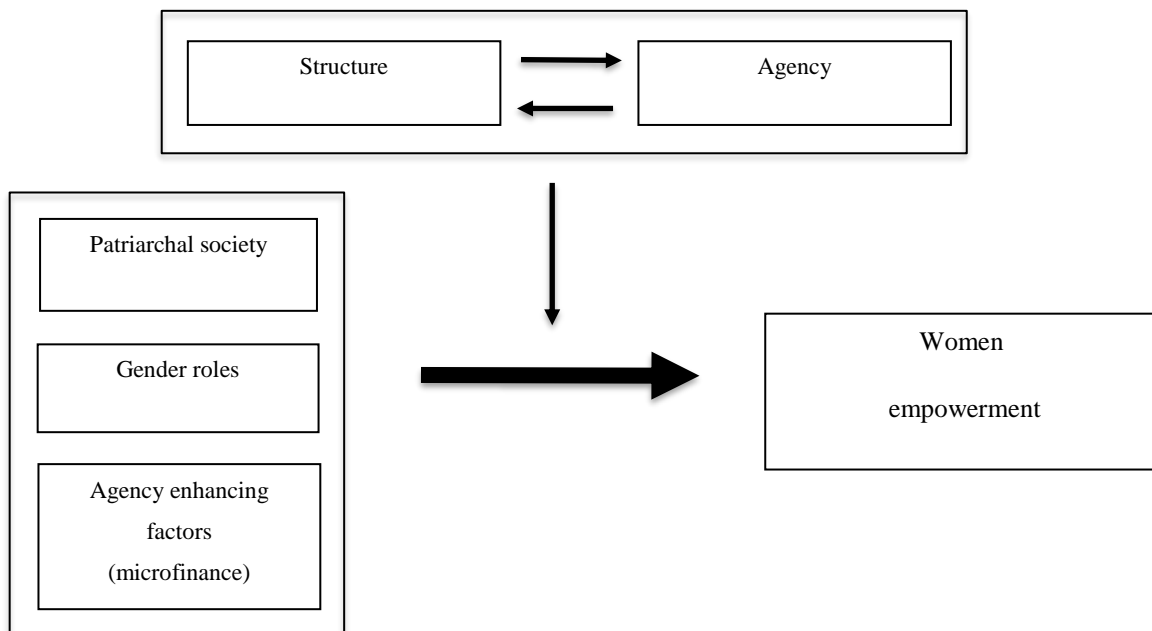


Figure 1 Conceptual framework

3. Methodology

In the methodology, the research strategy will be explained and substantiated and the research choices will be justified. This section will present the methodology used and which form of data collection is used in this thesis. In addition, the research location is delineated and operationalized, as well as a number of key concepts mentioned in previous chapters. After this chapter the theoretical concepts can be applied in empirical research.

3.1. Research strategy

This first section explains how the research was set up and what is and is not investigated. At first, the nature of the research will be discussed, second the characteristics of a qualitative case study and then a delineation is further described and explained.

The aim of the research strategy is to collect data and analyze this data to come to valid answers on the main research question (Verschuren & Doorewaard, 2007). According to Verschuren & Doorewaard (2007), there are some choices that should be made to come to the right research strategy: do you choose for a broad or an in-depth research, do you choose for qualitative or quantitative data collection and finally how do you collect the data.

This research will be of a qualitative nature, making use of a variety of appropriate research methods. The research uses a secondary theoretical comparison method. This means that the researcher will investigate a certain phenomenon, in this case women empowerment and micro finance, based on existing theories of other researchers. Because this research will make use of a case study strategy, it is important to mention that the research sometimes also can be inductive of nature; the interpretation of the respondents in the case study is leading in the research (Boeije, 2014). As Boeije (2014) describes, an interpretive research assumes that two people who had the same experience, experienced this in a different way and therefore the reality is subjective. Despite this, the respondents' experiences are the outcome of the research and this imperative data will be supplemented by empirical research. So, for this research both primary and secondary sources will be used. Primary data will be collected by the use of interviews and a focus group. Secondary data is collected from books, articles, journals and written thesis as well as other (internet) sources. Other ways of collecting data that will be used, are desk research and case study. For this research, it is important to use different methods to come to a conclusion. The data collected in for example an interview can be helpfully substantiated by data collected by desk research. The importance of a combination of methods is also indicated by Verschuren & Doorewaard (2007). The reason these methods are combined, is to create data triangulation. This increases the reliability and validity of the research (Vennix, 2011).

For this research a qualitative embedded case study will be used as research strategy. With this strategy, the situation on women empowerment affected by micro finance in Yogyakarta can be researched best.

This method has been chosen because it offers the best possibility of researching the case. On embedded case-study is examined in this research.

3.1.1. Case study

The case study that is applied to this research is an embedded case study because it only studies one certain case, namely the Brontokusuman area (in the next section, this area will be more operationalized) but it studies a certain number of units (women in this case). The case study will be used to come to in-depth insights. The reason the case study is chosen in this particular research, is because a case study relates to a social phenomenon in a natural environment and provides insights into the complexity of the phenomenon (Braster, 2000). A case study can be used to perform a detailed observation on location, conduct interviews in combination with studying all kinds of documents, and can give an understanding in the way certain processes take place in practice and why they work like this (Verschuren & Doorewaard, 2007). It gives in-depth understanding of the situation of women in the Brontokusuman area in Yogyakarta and it can show the impact micro finance has on the lives of women in this area. Therefore this research strategy, suites the thesis research best.

An embedded case study is applied in this study. Disempowered women and gender inequality is a worldwide problem, as shown in previous chapters. Due to the available time and resources, it is not possible to carry out a study on the impact of micro finance in more areas, and therefore, in this case, the city Yogyakarta is chosen and a certain area, Brotokusuman, an area stated as a micro finance best practice community, proclaimed by the government, will be researched. The area was located based on the output of interviews.

3.1.2. Data collection

Desk research

A case study is characterized by a small research unit. To make sure the research data stays reliable, it is important to use as much data collection methods as possible (data triangulation) (Boeije, 2014). In this research, the chosen data collection methods are literature review by desk research and semi-structured interviews.

The first step within the case study will consist of desk research. The desk research will be used to research existing literature and to collect secondary data about micro finance and the impact on women empowerment. This way of data collection is used, because it is the easiest way to collect data from existing studies and scholars. Studying specific information can also help in creating the questionnaires that will be used for interviews (see appendix) and to test or reinforce the information obtained from the interviews. In the desk research, the concept of micro finance and the concept of women empowerment will be studied and are explained in the theoretical framework, as well as in the final section in this chapter. The aim of the desk research is to come to new insights on both topics, which will form the

base for the fieldwork conducted in Yogyakarta. In addition, assumptions will be made based on the literature about the connection between micro finance and women empowerment. An important advantage of studying different literature is that many in-depth insights have already been acquired (Verschuren & Doorewaard, 2007). The literature study of this research has already been elaborated in the first chapter. A disadvantage of literature research is the limited supply of literature on the specific situation in the areas and districts of Yogyakarta and therefore interviews within the case-study will be used, to collect more specific data.

Interviews

The second step will be conducting semi-structured interviews with experts on micro finance in Yogyakarta, experts on women empowerment and experts on the areas around the city of Yogyakarta, as well as interviews and a focus group with women who are using micro finance programs. The use of interviews is chosen to collect new data that cannot be found in existing documents and also to test obtained information found from desk research. This research uses semi-structured interview method, what means that the guidelines and subjects of the interviews are fixed, but during the interview the questions can deviate and can be decided if questions are important for the certain respondent. The interviews will be used to gain better insights in the process of using micro finance to create more women empowerment. To answer the research question, specific questions will be asked. The interviews will generate new information as well as testing assumptions. An interview will be conducted with an expert on each of the main concepts of this thesis; women empowerment, microfinancing and areas in Yogyakarta. All respondents will be asked more or less the same questions.

In the interviews, different people will be questioned. These respondents are ‘experts’ on a certain problem and/or are involved in certain situation which are relevant for the researcher (Reulink & Lindeman, 2005).

Choice for respondents

Topic	Women empowerment	Areas Yogyakarta	Micro finance Yogyakarta	Women Micro finance program	Head of the Brontokusuman community
Interviewee	Prof. dr. Wiwik Puji (Master of Population, PhD Human Geography) Secretary of UGM Women's Studies Center	Prof. dr. R. Rijanta M.Sc. (Geography and Rural Development)	Nelly Tristiana (head of women's participation development)	Pani and her husband Rita Pyrlestani	Yayuk
Focusgroup				Harjilah Suprapti Darlina	

Table 1 Choice for respondents

According to Creswell (2013), certain steps need to be taken to analyze the retrieved data. In case of the interviews, transcription is very important, as well as categorizing the interview by coding. The last step is to analyze and present the data in the chapter of results, and to answer the main research question.

In addition to the general steps, more specific steps must be taken for interpreting the data. First of all, a context and a description of an interview must be given. The next step is to distinguish two types of data analysis. These are 'direct interpretation' and 'categorical aggregation' (Creswell, 2013). In 'direct interpretation', a specific form of interview data that occurs only once, can affect the entire research. This is because the 'interpretation' is linked to the data. In the case of 'categorical aggregation', the different transcriptions search for specific data that occurs several times. The amount that something comes up says something about the significance of the research (Creswell, 2013).

3.1.3. Research material

This chapter will discuss the research material and research objects and how and why the data will be collected using different subjects, such as persons, situations, processes, but also resources like persons, media, documents and different literature. Looking at the research question, the research material will be discussed.

The impact of micro finance on the empowerment of women in the Brontokusuman community in Yogyakarta will be researched by collecting data by using different data sources. The research aim is to show how micro finance works in Indonesia and how this has an effect women empowerment in

Yogyakarta and how the living standards of women in Brontokusuman is affected by this. To do so, data will be collected through documents and literature by using the university databank and relying on the interviews from experts and people in the field. The collected data will be analyzed, and the interviews will be transcribed in the Atlas.iT program. The following sources will be applied to collect data:

- **Literature/documents**

Literature will be used to collect data about micro finance and women empowerment. Previous results of micro finance in other (rural) areas will be studied and analyzed. Also, different researches and reports on the effects of micro finance on women empowerment will be used to come to final conclusions.

- **Individuals**

The individuals that will be interviewed will be the following; a professor on women empowerment and gender issues, a professor on rural areas in Yogyakarta, as well as the head of the BPPM, which provide micro finance, the head of Brontokusuman community, women who join the micro finance program, organized both in a focus group as well as individual interviews. The interview guide will focus on the effects of empowerment as well as the expression of empowerment and the experiences of being more empowered (if that's the case).

3.1.4. Case specifics

In this chapter, the case specifics of this research will be discussed. First of all, the research area Yogyakarta and specifically the Brontokusuman community, will get a closer look. Secondly, the micro finance situation in Yogyakarta will be discussed. All answers are based on the output of collected secondary data.

Indonesia

Starting at the national level, the country has some very interesting and unique characteristics, especially compared with other countries in the region. First of all, it is the 4th most populous country in the world with over 261 million inhabitants. This makes Indonesia a key economy in the Asian theatre. Second of all, almost 90% of the population is Muslim, making it the country with the largest Muslim-majority in the world. Like many other Asian countries, it had been under colonial rule for a long time before becoming independent after the second world war. Besides Western and Islamic influences, Indonesian culture was also influenced by the Chinese; a real melting pot of cultures. Looking at the present-day ethnicities in Indonesia, the majority are considered to be Javanese, at about 40% of the total population (Misachi, 2018).

That Indonesia is the largest economy in Southeast Asia, does not automatically say the population profits; poverty still remains an issue in the country with more than 19 million Indonesians still live below poverty line (Worldbank, 2018).

Yogyakarta

The research area is focused on Yogyakarta, specifically the Brontokusuman area. Yogyakarta Special Region is one of Indonesia's 33 provinces and is situated in Middle Java. Yogyakarta is bordered by the Indonesian Ocean on the south and on the other sides by Central Java Province. Image 1 shows the location of the Special Region of Yogyakarta.



Image 1 Location of the Special Region of Yogyakarta on Indonesia map (Prihutami, 2016).

The regency of Yogyakarta is about 32.5 km² and exists different regencies, 14 districts and sub districts. In total, all districts have between 1 and 7 sub districts each. The four different regencies are the following: Sleman, Bantul, Gunung Kidul and Kulon Progo as well as a city municipality called 'Kota' (Badan Pusat Statistik Yogyakarta City, 2016). Image 2 shows how the different districts are located within the Special Region of Yogyakarta.

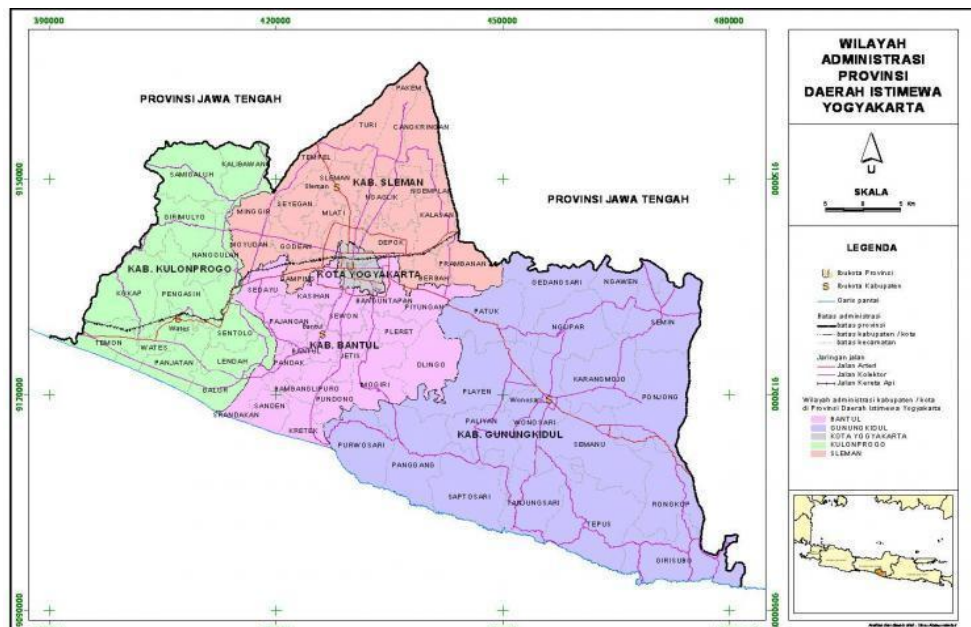


Image 2 Regencies of the Yogyakarta Special Region (Java Indonesia, 2012).

As of 2016, the population of the special province of Yogyakarta has number of 3.720.912 people, divided in 50,55 percent females and 49,45 percent males. The following overview shows the population per regency of Yogyakarta:

	Population (thousand)		
	2010	2015	2016
Regency			
<i>Kulonprogo</i>	389 661	412 198	416 683
<i>Bantul</i>	909 539	971 511	983 527
<i>Gunungkidul</i>	677 376	715 282	722 479
<i>Sleman</i>	1 103 534	1 167 481	1 180 479
City			
<i>Yogyakarta</i>	387 379	412 704	417 744
Total:	3 467 489	3 679 176	3 720 912

Table 2 Daerah Istimewa Yogyakarta Province in Figure, 2017

The Human Development Index (HDI) shows key dimensions of human development. The HDI of Yogyakarta, shows a score of 0,79, which shows high development in the special region and compared to other years, the HDI is only increasing (Knoema, 2016). It shows that the standard of living in the city is getting better and that people live a long and healthy live. Despite the increasing numbers of the HDI, in 2016, the percentage of poor people in Yogyakarta was still 16,1 percent with a poverty gap of 2,5 percent (Knoema, 2016).

The city itself has a political, economic, social and cultural center. The urban land of Yogyakarta is expanding because of the movement of people and functions that take place; Yogyakarta has attracted people from surrounding hinterlands. Because of the city's expansion and development, one cannot speak of 'rural areas' anymore in and around the city but the province of Yogyakarta is surrounded by productive agricultural lands.

Different developments have taken place within the city; the northern part of the city was expanded, and despite the government's efforts to safeguard the western and southern parts of the city from turning into urban areas as well, because of the local economy and regional interests, they still lost their agricultural functions in favor of urban functions (Yunus, 1991). Still, these parts of the city are less developed and the governments uses different programs to develop these villages in the city with the help of support programs, micro finance and training. Within the city, there are some regional differences, especially looking at economic development. The southern parts of the city are less developed and poorer compared to the northern parts of Yogyakarta. A number of areas within the city of Yogyakarta are being developed by the help of the government of the municipality of Yogyakarta.

As for the research topic, Stated by (Suacana, 2016), the status and position of women in Indonesia, is becoming more and more a central issue in the social life, because there is still a gap between the role

of men and women which is based on biological and physiological aspects, by living in a patriarchal culture is still one of the causes of discriminatory behavior. The Gender Inequality Index (GII) measures different aspects such as health, empowerment and employment, and according to these measurements, women do still lag behind men, for example looking at head of the household, in 2016 male headed households was at a level of 81 percent, where female headed households was only 19 percent. To find out whether or not micro finance has influence on the empowerment on women and the change of the status of women, a specific community was chosen. In the next section, this area will be described.

Brontokusuman

Brontokusuman can be identified as an urbanized village (Asian Development Bank, 2012) As the Asian Development Bank (2012) shows, the Brontokusuman area would still be described as a slum, based on different criteria, cited from the book (Asian Development Bank, 2012):

- *Degree to which the land parcel concerned fits the formal designation as specified under the General Urban Spatial Development Plan;*
- *Land tenures statues of the parcel concerned;*
- *Population density;*
- *Number of low-income residents living within the land parcel concerned;*
- *Importance of informal sector activities in the overall livelihood strategy of residents;*
- *Density of dwelling or buildings;*
- *Conditions of dwelling or buildings;*
- *Layout of dwelling or buildings;*
- *Degree of health (life expectancy, prevalence of maladies) of residents;*
- *Degree of physical security (e.g., the crime rate) and degree of social equality in the community concerned; and*
- *Conditions of neighbourhood infrastructure (e.g., facilities for provision of clean water, presence of toilets within residences, quality of waste management and drainage facilities, presence of pathways and neighbourhood roads).*

As in the book stated, based on these mentioned criteria, the village of Brontokusuman at that time, could be categorized as a slum. The neighbourhood got more and more developed, especially thanks to the micro finance program. At the moment the neighbourhood is seen a best practice area concerning micro finance.

The motivation for this location is mainly based on the exemplary role it has been given for the use of micro finance. The interview with a government official made clear that Brontokusuman is seen as a 'best practice area', leading the way for other projects throughout Indonesia. Any connection between micro finance and women empowerment should therefore be most evident in these optimal conditions.

The next few paragraphs will describe the basics of the area of research, zooming in from the whole of Indonesia down to Brontokusuman itself. The area can illuminate new understandings about the research problem. There are several examples of successful micro finance communities in Yogyakarta, but specifically this community was labelled to best practice community what could provide interesting analysis and out comings; is a so called best practice community really that good and really that developed as the government states it is. Looking at women empowerment, is the community as successful as it can be? The reason no other area was chosen to use for comparison for example, is simply because there was limited time and therefore, a more deeper case study in one particular area was chosen. Image 3 shows the study area. On the left map, the whole Yogyakarta centre is shown. On the right map, only the Brontokusuman area is shown. Women chosen for the interviews are citizens of the Brontokusuman area who were in search of job opportunities but ended up making use of micro finance program of the BPPM. At the moment the women are living in the community, some of them with their husband and/or children, others are widows or divorced women.

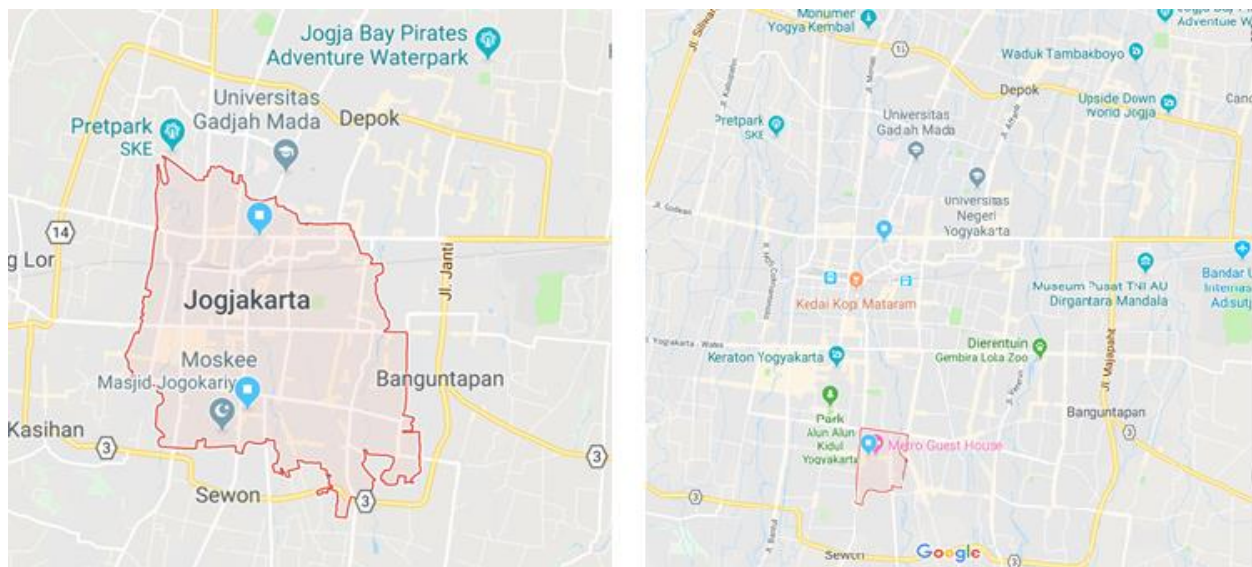


Image 3 Study area Yogyakarta city and Brontokusuman area, Google Maps (2018)

Micro finance in Indonesia

81,5% of Indonesians are at the bottom of the economic pyramid, and need access to financial services in order to improve their lives and communities. Micro finance is a tool that can be used for this. Indonesia is known for its large-scale micro finance sector, with a range of commercial banks. Micro finance is a financial service for poor or low-income individuals and companies, which can also include micro-credit, micro-savings and micro-insurance often repaid within 6 to 12 months (KPMG, 2015).

Financial service	IDR	Converted in EUR
Micro-credit	In Indonesia less than IDR 20 million	1,30
Micro-savings	Very small deposits, In Indonesia less than IDR 20 million	1,30
Micro-insurance	In Indonesia, a premium of under IDR 50,000	3,23

Table 3 Financial service overview Indonesia

In Indonesia, a lot of different actors are involved in micro finance programs: governmental programs, (commercial) banking, NGOs and other institutions. Over 1600 entities, owned by local or provincial governments are concerned with micro finance and are active in both rural and urban areas. Besides this, there are also state-owned lending institutions and some NGOs and other Micro finance Institutions (MFIs) working on micro finance in Indonesia. Because of the large numbers of organizations, governmental efforts and banking concerned with micro finance, this thesis will only focus on a government support program, namely the BPPM in Yogyakarta. Besides the scope of this research, one can find other distributors of micro finance, like traditional banks which deserve a short explanation as well. There are two major institutional providers of micro finance services in Indonesian rural areas: the government-owned Bank Bank Rakyat Indonesia (BRI) and some 9000 formal and semi-formal investors (Seibel and Parhusip, 1998). BRI is a state-owned bank that started as an agriculture bank in rural areas. Currently, BRI is known as a bank with largest network, able of reaching the bottom level of the society. It has more than 3500 local units and serves more than 3 million clients (Bakhtiari, 2006).

The regulated micro-finance providers (commercial (Conroy & Budastra, 2005) banks and BPRs) tend to cover mostly upper levels of the micro-finance market in districts and sub-district towns. NGOs, Co-operatives and village-based institutions (BKDs, LKBDs) reach a lower end of the market but still have a limited reach to remote rural areas, outside the two main islands of Java and Sumatra (KPMG, 2015). Village funds and credit institutions or Lembaga Dana Kredit Pedesaan (LDKP) LDKP, a government sponsored scheme, encourages the establishment of MFIs across the country (KPMG, 2015).

Measurement of the impact in Yogyakarta

This research has a focus on the BPPM program and on the activities they carry out. The BPPM did not yet analyze and measure the impact of micro finance on women empowerment in Yogyakarta, but seen from the Human Development Index, the gender development in Yogyakarta increases every year. Currently the Gender Development Index is 94,7% out of 100% which stands for the equality between men and women. Yogyakarta has the fourth place from all Indonesia, because a lot of work concerning micro finance and women empowerment is happening in Yogyakarta and a lot of encouragement from various parties, BPPM is only one of them. In Yogyakarta there are different ways of measuring women empowerment, for example:

- Economic empowerment is measured by Labor Force Participation rate, productivity and the proportion of roles in the household
- Social measurement is measured by the different areas: education, health status, maternal mortality rates and women in parliament
- In cultural aspects, the position in rights and obligations is an important measurement.

For this research, the social measurement has been used to a lesser extent, by interviewing women on the effects of the micro finance program on their livelihoods and financial status.

4. Results

In this section, the results of the interviews will be discussed. The discussed topics during the interviews are for example women empowerment, micro finance in Yogyakarta, the status of women in Yogyakarta and organizations which focus on micro finance programs in Yogyakarta. The sections below are based on the results of the interviews and are described per main category. All sections end with an analysis of the acquired data from interviews together with the secondary data.

4.1. Yogyakarta

Yogyakarta special region exists of five different regencies. These regencies also exist of different districts. Within these districts, one can find certain villages. Table 4 shows an overview of the Province of Yogyakarta Special Region.

Regency	Number	Villages
Sleman	17	258
Kulon Progo	12	88
Gunung Kidul	18	144
Bantul	17	76
Yogyakarta	14	440

Table 4 Overview Province of Yogyakarta Special Region (source: interview prof. dr. Puji)

Within the province of Yogyakarta, one can notice difference between developed and less developed areas. Each district has different conditions. Less developed areas within the special region of Yogyakarta are the two so called areas of Kulon Progo and Gunung Kidul. As Dr. Puji states, for example, the Gunung Kidul regency is rather far from the city, has hilly conditions and is quite desolate; it has more traditional conditions what means that human development, including women development, is rather less than for example in the city. On the other hand, Yogyakarta and Sleman regency are found in the city center, located in town, with lowlands and fertile lands as well as many facilities. In here you will find more social activities as well as supportive behavior concerning human development and economic development.

The main problem within the less developed areas in the city is that these regencies do not focus on human (resource) development, natural resources development and facilities that support certain developments. There are different factors causing these differences in development of the areas. According to the president of the Brontokusuman area, miss Yayuk, one of the main reasons that development in these areas stay behind, is because the economy is weak and where the economy is weak, it is hard for people to earn a stable income; the household is depending on salary that is not steady.

The reason is because the household is depending on salary that is weak, not steady. Sometimes you got something, sometimes you do not, like they are a driver or work in sandmining (Yayuk, personal communication, 2018).

Another reason these areas are less developed is because of the earthquake that happened in 2006; these areas suffered the most. As prof. dr. Rijanta states, another problem for areas that are less developed, is that they firstly relied on agriculture, such as rice fields. Since Yogyakarta city does not know any rural areas anymore; all parts of the city became urban; people lost their agricultural jobs and are less educated than others. Another problem of the urbanization of these parts of the city is that the water that was used to water the rice fields, doesn't have any other purpose anymore, what sometimes causes floods in these areas. What turned out the interview from Dr. Puji is that the majority of women with low educations are based in the less developed areas of the city.

The majority of women with low education are in the less developed areas. They desperately need assistance (Puji, personal communication, 2018).

The regency of Yogyakarta also exists of different districts and subdistricts. In total, the regency exists of fourteen districts, which all have between 1 and 7 subdistricts. This research is focused on the regency of Yogyakarta, in the district Mergangsan in the subdistrict called Brontokusuman. Brontokusuman is an area in the south of Yogyakarta city and has a total surface of 0,93 km² (Badan Pusat Statistik Yogyakarta City, 2016). Brontokusuman is an example of a successful micro finance community. The community is proclaimed as 'best practice community' concerning micro finance. The micro finance program of the BPPM started in 2009, after monitoring and training the women in the community. Since that time, a lot of communities and countries have visited Brontokusuman to learn about the developments the community has undergone. Apparent from the interviews, the money that was lent to the community, has developed quickly and the people living in the community can afford more.

Women can buy, have good earrings and jewelry...and make their child graduate (Yayuk, personal communication, 2018).

The government lends different communities an amount of money, but according to the president of the Brontokusuman community, only this community pays back the whole amount of money. The interesting thing why this community is successful and able to pay back the whole amount of money on the agreed time (every 10th of each month) is because the women is a teacher and involved in the government; she has connections and knows people, so, as the president states, she pays back the whole amount of money by herself at first and later, when possible, the women pay her back.

It is an interesting thing, why this place pays back regularly, yes. So, this woman is a teacher and knows they need to pay before the 10th of each month...

So, they have a meeting every 25th of each month, so she has the money to pay it all and later the women pay her (Yayuk, personal communication, 2018).

As seen from the primary data that is used for the results about Yogyakarta, there are some differences between areas in Yogyakarta, which also affects women in the less developed areas. The research area

for this topic is focused on the Brontokusuman area. As becomes apparent from the interviews, this community is labeled as a best practice community. Although the women in the community are happy and micro finance has shown to have a positive effect on their lives (which will be shown in the following sections), one could ask if the manner in which this all takes place is the most effective or efficient one. What turned out from the interview with the president of the Brontokusuman community, miss Yayuk, is that this community became successful because the community was able to pay back all the loans. The micro finance model that fits their approach best is the so-called Community Banking Model. Based on this model, the way the community is working with paying back loans, is not the most effective way. The intention of this model is developing more skills in financial management. But, when the president of the community is paying back all the loans out of her own pocket – when the governmental organization expects women themselves to pay back the loans – the greater cause of this model is not achieved and therefore the women are not fully developing their financial management skills and improving their (business) spending pattern.

4.2. Status of women in Yogyakarta

From the interview held with prof. dr. Rijanta, the patriarchal society in Yogyakarta is apparent; from the male perspective, men used to treat their wives as ‘friend behind the house’. The expression is one of the pasts, where the kitchen was behind the house, meaning as much that the position of the women is not in the public sphere but mainly in the domestic circles.

The male perspective, that the male treated the women as friends behind the house, so meaning that seen from the house or guest room or something like that. That expression was very clearly, showing that in the past, women were, yes, in the position of not in public, but not tend to be domestic, because in the past, behind the house, it is the kitchen (prof. dr. Rijanta, personal communication, 2018).

Despite the patrilineal cultural background of Yogyakarta, compared to other cities in Indonesia, Yogyakarta has a good condition in terms of women’s development. More and more women are working and there are a lot of improvements made, but important position is still held by men. Women have been heavily involved in economic activities for a very long time, but often their contribution is marginalized. Along with development, women began to get good education and by this, they increased their bargaining power. Unfortunately, women still face excessive burdens because women have to take the responsibility for domestic work and household.

Women have had a very big role in the home and public sector. One that remains a problem is the status, the double burden, and the quality of life of women. Women began to get a good education and increased bargaining powers. But they often face excessive burdens because women still have to take responsibility for domestic work (prof. dr. Puji, personal communication, 2018).

Compared to other provinces, women in Yogyakarta do experience more opportunities and have more chances in development but also have a backlog on men.

More and more women are working, but important positions are still held by men (prof. dr. Puji, personal communication, 2018).

This is not the only example that prof. dr. Puji speaks of while discussing gender inequality; the average of school participation in the Yogyakarta Special Region, of all ages, participation of boys in schools is higher than for girls. Also, in higher representative roles, such as the government, the 30% quota is still not reached; although the numbers have increased, the number of women in the parliament is still not significant (numbers of 2004-2009 show that 90,24% men and 9,7% women). Other problems women face in employment is in quality and low wage issues. Also, women are often victims of violence; they experience violence in the household, in society, sexual harassment, rape and even unwanted pregnancies.

The violence against women and girls is often a phenomenon of an iceberg because there are a lot of cases that remain unknown. Problems in gender inequality are also addressed. As prof. dr. Puji states, women's education increases, and the age of the first marriage is higher than in the past (prof. dr. Puji, personal communication, 2018).

When analyzing the results, it is important to note that there are different ways of defining women empowerment; having control, choice and power. This refers to the ability of making their own decisions; taking control over one's life and resources. This is also where Giddens' theory about structure and agency comes into play. Structure and agency help explain how (women) empowerment is to be seen in society. An example of structure is, as also seen in the theoretical explanation, gender structure. Gender structure is embedded in various layers of society. People believe in values imposed by others, for instance that there are certain differences between men and women. Because of culture, men and women face different cultural expectations and these cultural imposes, shape behavior and people behave in a way that they think is expected of them. A clear structure that can be seen, is the patriarchal society that is still present in Indonesia. This behavior can be seen as a structure, which produced and reproduced a patriarchal society. As research of Sarwono (2012) shows, women in Indonesian society are still considered as passive civilians. This role that women ought to live by, can be traced back to traditional Javanese norms also in combination with the policies from the late 90s. It kept women in traditional roles by stimulating the 'caretaking' role for women. On the one hand women feel pressure from society to stay in the traditional roles, but on the other hand wanting to modernize and live by more 'Western' and emancipated values. This is what dr. Puji calls the 'double burden' (personal communication, 2018): women both trying to be economically active, but also feeling the need to stay responsible for domestic work and the household, which results in slower development for women. Another result of the collected data is that women in Yogyakarta are still not the main

breadwinners; and human resource investment is only there for the main breadwinners, which have always been men. This affects the quality of women's life and women's human resources and under such conditions it is important that women receive support. The interviews have shown that gender roles in Yogyakarta can easily be defined and women in Yogyakarta live in a structure which conforms to formal and informal norms that are hard to break through. Although women in Yogyakarta often face problems based on their gender, the city of Yogyakarta is getting more and more developed and women do experience more opportunities and chances in development compared to other cities in Indonesia.

4.3. Governmental organizations focused on women empowerment

Different departments are involved in the provision of assistance for women, such as the Ministry of Trade and Cooperatives, the Ministry of Women Empowerment and Child protection, the Population and Family planning Agency and the Ministry of Manpower and Transmigration.

The Population and Family Planning Agency (BKKBN) is a program focused on poor women. The target of this agency is on women in need, who are traced by officers who really know the situation of certain women. The agency offers benefits, facilitated to obtain assistance without heavy requirements for the women as well as assisting the women in running their businesses. Another example of governmental organizations that support women in Yogyakarta is the Small and Medium Industry Development which is carried out by the Ministry of Trade and Cooperatives. The program also continues to date with the focus of developing small and medium enterprises. The Ministry of Manpower and Transmigration supports the development of skills and capital, for example by giving training in sewing, tailoring cooking, screen printing and agriculture. After giving training, they also provide the equipment needed for the certain activity. Thereafter there is the Prima Desa program supported by the Ministry of Women Empowerment and Child Protection (BPPM) which helps women's economic endeavors.

The assigned tasks of the BPPM (Development Participation Division of DIY Women's Participation Division) is to facilitate women's empowerment and to develop policies focused on women's empowerment. The BPPM focuses on four main points:

1. On women's organizations
2. Improving the quality of women's life
3. Developing women's potential
4. Institutional strengthening of gender mainstreaming

The BPPM focuses on women as head of the household, women who have been violated, women from poor families, women with mental disorder – or with family with mental disorder, women whose family are former criminals. The provision of assistance from the BPPM is done both in the form of material and non-material; in the form of a productive program and a lending and saving system, as well as other

funds such as trainings. There are all kinds of trainings offered by the BPPM; a training about diversification of businesses, English courses, so that women can communicate with tourists while selling their products, skill development, financial management and a lot of training focused on improving business models and products. These trainings are offered both by experts of the BPPM as well as collaborations with universities. Besides, this year the BPPM also organized several working groups on gender mainstreaming to accompany the preparation in policy making. In addition, trainings are organized to support women empowerment in decision making, conducted in 45 villages over Yogyakarta.

The micro finance program of the BPPM is there to support women to become more economically independent. With the micro finance program, the BPPM tries to support women to manage their family expenses by themselves and develop the power to make decisions inside their households and community. With the program, the BPPM hopes to create opportunities for women to even get in higher representative roles at a certain moment. Until now, the BPPM supports 85 out of 546 villages, with 15 'desa prima'; good examples, where also the Brontokusuman community is an example of. The criteria such a village should meet to be eligible for microfinancing by BPPM is a poverty level of 10%.

Despite all hard work done by different (governmental) organizations, prof. dr. Puji states that: *it is important to raise the awareness about women empowerment and gender equality among men, to reach women empowerment and independency (personal communication, 2018)*. The reason for this is the double burden women must carry; on the one hand they are trying to participate in society and are supposed to find jobs, and the BPPM micro finance program offers them handles for this, but on the other hand, there is still the thought from men that women should only do housework and there is not a real role for women in society. The government needs to campaign for this support through the existing programs. As she states, women have a very big role within the household and the public sphere, but the problem remaining is the status; the double burden and because of this, the quality of the life of women. To conclude her debate about the life improvements for women she states that women's life needs to be improved continuously, and at the same time the awareness of support mainly from men should be propagated and must be mentored continuously.

First, the improvement of women's quality needs to be continuously done. Second, awareness of support mainly from men. Continuous mentoring as needed (prof. dr. Puji, personal communication, 2018).

4.4. Micro finance in Yogyakarta

During interviews, it turned out that not everyone is positively about micro finance. In the Yogyakarta province there are a lot of micro finance institutions. According to prof. dr. Rijanta, there are even too many micro finance programs in Yogyakarta.

It is easy to lose the overview of all different programs and hard to make clear regulation (prof. dr. Rijanta, personal communication, 2018).

Most financial services that provide micro finance loans in Yogyakarta, are too small of scale. Micro finance programs certainly work, but only for the support of daily needs in the households; additional rice or sugar, to pay bills or to give children some pocket money (prof. dr. Rijanta, personal communication, 2018).

He states that he never expects real investments on a big scale because the amount of money is simply not enough. Also, if one is talking about creating women empowerment and/or poverty alleviation, he also thinks it does not really work for that, it is simply too small.

Micro finance can be seen as a successful program, but it can also be seen as a strategic way to give women more empowerment (personal communication, 2018); during this interview, prof. dr. Puji states that micro finance can be used as a tool for women empowerment, but as she states, together with, prof. dr. Rijanta, is that there are different and stronger ways to receive more women empowerment.

Despite these comments, there are some examples of areas that became more developed using micro finance. One of such an example is Kurun Propo village. Also, in another village named Hargorejo-Kokap, a lot of development has taken place after micro finance got introduced in the community.

As the secondary data shows, micro finance is a tool to help the poor and near poor households to become more developed and provide access to financial services, such as credits, savings, insurances and trainings. The outcome of the primary data is not very optimistic; some respondents indicate that there are too many micro finance institutions. This affects the effectiveness and reach of the programmes. Also, regulation, controlling and monitoring is harder than it could be. As prof. dr. Rijanta stated, the effects of micro finance are too small to make a real change; it can only be seen as an extra to provide in the daily needs. That is, seen from the theory, also the actual purpose of micro finance. One could therefore say that the application of micro finance and the operationalization of micro finance, seen in this case, is not very powerful, but one cannot say that there is actually something wrong with the concept of micro finance, because results show that certain areas and community did become more developed.

4.5. Micro finance program BPPM

The BPPM has a special program focused on micro finance. This part will explain how this program works. As the interview with miss Tristiana shows, there are different stages concerning micro finance. The first stage consists of the development of a micro finance community; women receive financial management training, are helped with creating a business plan and subsequently monitored by the BPPM. Before receiving a micro finance loan, the women must have a business plan or even a business. After the period of training and monitoring, the community receives 37 million Rupiahs (converted €2300+/-) to divide among the businesses of women of the community. In the first year, only 25 women can qualify to receive a loan. One part of the loan is saved in the community bank, which can be used as some sort of insurance money. In the first year, the women need to attend different trainings, such as financial management and group- and skill management every two months.

And also there is also training, so it changed a lot...

...The changes is such as more models and also training and also better ways they can sell their products. (Puni, personal communication, 2018).

If the community turns out to be successful in the first year, in other words if every single woman paid back the loans, the BPPM will invest in developing the area even more; a mutual trust has been built up. If this is not the case, the BPPM will wait until all the money is paid back by the women, before investing in the same community again. They will also not enter the second stage if this is the case. The BPPM loan has an interest rate of 1%, and payment of the loan is split in 10 set terms. In the second stage of creating a micro finance community, the development stage, the money that is invested is increased to between 37 and 50 million Rupiah (\pm €2300 - \pm €3000) and the participants within the program also increases from 25 to 35 participants. The final stage, increases the investment even further to amounts higher than 50 million Rupiah, as well as increasing the number of participants yet again. To judge whether a community should receive more loan, the BPPM monitors and evaluates each community.

At the moment, 32 women are receiving a micro finance loan given by the BPPM. The staff within the Brontokusuman community is appointed and approved by the women, living in the community. The decisions on how projects are to be financed are made together. When a community is receiving micro finance loans, they are supposed to come together on the 25th of each month for a community meeting concerning micro finance; savings, loans and business developments are discussed during these meetings.

The businesses in the Brontokusuman community produce a range of products.

Mostly different types of apparel like shoes, bags, wallets, and tailored clothing (Tristiana, personal communication, 2018).

When asked about how the BPPM micro finance project has affected their work and livelihood, they women all reacted positively. First of all, it has given them access to the online market, both through hiring dedicated people to take care of the online products as well as through the courses on how to use computers and the internet for themselves. Second of all, it has increased the geographical reach of their businesses. Some of the owners are now able to sell their products in more than one location, for instance at tourist hotspots in the area or at local markets. This has increased their revenue in the process. BPPM has also given courses on efficiency improvements in production. This has reduced the amount of resources needed per product, and thus the production costs per bag. Profits have been able to rise because of this.

4.6. Benefits of micro finance

Looking at benefits of the use of micro finance, there are different aspects to distinguish, such as changes in community, household (roles) and personal development. Furthermore, looking specifically at women empowerment, decision making roles, an increased income and more say about this income, are there to mention.

General benefits

Results from the interviews show that women benefit from receiving micro finance; before receiving micro finance, they did not have any work to do besides the household. They had the feeling that they did not play any role in their community and they could not contribute in society.

During interviews it turned out that the overall conclusion is that the Brontokusuman area got more developed after the use of micro finance. Especially the houses in the community got better.

After the loan incomes, the community became more developed (Harjilah, personal communication, 2018).

It is also stated that before micro finance, women had more problems and there were more conflicts in the community and in the household; there was too much free time what caused these problems compared to now; men and women are occupied with their businesses. Despite the positive developments, the women during the focus group commented that a lot of facilities within villages did not necessarily become more developed after the introduction of micro finance in the community; facilities such as internet or infrastructure are supported by the government and are not depending on for example micro finance programs. Although these facilities are not provided using micro finance, women overall agreed on the fact that the community certainly got more developed and changed positively.

Besides changes in the community, women also indicate that they notice more benefits such as an increased income with the help of micro finance and the trainings offered by the program. Next to the

increased income of the household, they also stated that they have more abilities to make more and better products, and the models they use in their business have improved as well as their overall business. Interviews showed that women became more productive and are more focused on their business because of the guidance they receive to run their business.

In general, the women feel that the micro finance program from the BPPM has helped them to increase their income and independency (Darlina, personal communication, 2018).

Benefits on women empowerment

According to the BPPM, women become more active in decision making roles, especially in making economic decisions. Besides this part, women also get included in decision makes roles in higher levels; local or regional government or for example in the Ministry of Women Empowerment. Another benefit that women notice according to the BPPM, is that they get more active in their own community; they get to organize certain events, they meet women from other communities and the access in markets to sell their products has increased.

According to the women interviewed in the Brontokusuman community, they became more active in decision making roles, especially when it comes to economic decisions. One of the women stated that she become more tough after the program; was not depending on the income of her husband anymore and became and felt stronger. Because her income increased by her own work, she felt more confident. Other women stated that they dare to give their opinions now easier than before.

The women mentioned that their incomes increased and that they have more to say over their income, more than they had before micro finance. It made them more economically independent and autonomous, able to join in more economic activities and they strengthened their bargaining position. Women in the community are now able to buy properties and (household) assets by themselves.

In the area she thinks that women become more independent because if a woman only depends on the man it cannot be, uh, what is it (laughing) it cannot guarantee the future of the women (Rita Pyrlestani, personal communication, 2018).

According to different interviews, human development in general got more developed in the Brontokusuman community; women have higher life expectations and women are now able to send their children to (better) education, which they did not held able before.

Since the micro finance program much more women fulfill roles within the community; such as event organization or staff member for the program. Several respondents agreed on this point.

At first, she said she has the role in the community because if there is an event that is hold by the BPPM for example for selling then she is doing the organization (Rita Pyrlestani, personal communication, 2018).

Before the program was here, the women didn't have any role in the community but after the program, women were have more a lot of role in the community (Darlina, personal communication, 2018).

Women overall are very happy with the support of the program; they feel they oversee their business, have something to say about the income they make, and they feel more confident in taking decisions. The program helped them to develop themselves more, but at the same time the women also indicate that they are still responsible for the household, for the care of the children and in one case the men even became owner of a supported business by the BPPM, where the women got a small task for support.

According to the literature research, micro finance should have a positive effect on the change of these gender roles. The household and caretaking tasks would be more evenly distributed between the men and women, now that women and their business often become the main income for the household. Micro finance can be seen as a tool to enhance women empowerment. The results of the interviews showed that micro finance has a positive effect on women empowerment. Women state that their community has gotten more developed, especially the outside and inside of their houses. Furthermore, the women indicated that their income increased, that they could improve their businesses by the received training and feel more independent. Another positive aspect the women experienced, is that they got into more decision-making roles, strengthened their bargaining position and are now able to fulfil other roles in the community, what they did not expect before receiving micro finance. As seen from the results, the micro finance program has a lot of positive outcome on women empowerment. As the literature research shows, micro finance addresses goals in gender equality, what often leads to improvements in roles in the household. As some women indicate during interviews, they are still responsible for the household, for the care of the children and in one case the men even became owner of a supported business by the BPPM. The question therefore is whether the given agency that Giddens talks about in his structuration theory; the other choices that women can make now, thanks to the support of micro financing, have actually helped women. On the one hand one can say that it has had a positive effect on how women feel and how they now see their role on the labour market, but on the other hand one can conclude that women only have more work to do, without their lives being substantially changed; they continue to 'suffer' from the imposed structure from society, that women remain responsible for the household and caretaking tasks.

4.7. Role of men and women

Interviews showed the positive effects micro finance has on women empowerment in the studied area; women got more (economically) independent, feel that they strengthened their bargaining position and are now able to get in better decision-making roles. However, the interviews also showed that micro finance did not always have an influence on the change of life of women. It turned out that properties such as the ownership of housing, but also smaller assets remained the same; in some cases, the man was still the owner of the properties or the man and the woman owned it together. According to different people interviewed, the economic situation of the household improved a lot, but the roles men and women had before and after micro finance, remained the same. In one business even, the man is the head of the business and sells the products, and the woman is only helping the man when needed; she indicated that the situation stayed the same, before and after micro finance, when it comes to the role of the household and the role in the business. Another woman also states that nothing changed concerning the household; before the tasks in the household were done by her and after receiving the loans, it remained the same.

The BPPM micro finance program tries to affect the role of men and women in the household. Women are now involved in managing the loan and thus the money concerning their own business. This gives women more confidence and the feeling they have more say over household money. The program also gave women more strength, because the program encourages women to take prominent roles in the community, such as manager or staff concerned with the loans and savings. Women do feel that they are still carrying a double burden; on the one hand they are trying to participate in society, and the BPPM micro finance program offers them handles for this, but on the other hand, men still think that women should only do housework. The overall conclusion of the women in Brontokusuman is that the role in business changed concerning men and women. Before micro finance, the men were mostly in charge of a business and were the biggest breadwinners of the household but after the women received loans, the husband is working in the business sometimes to support the woman and/or the business.

5. Conclusion

In this chapter the conclusions of this research will be discussed by answering the main research question. The first section will discuss the first sub question *‘what is the status of women empowerment in Yogyakarta?’*. The next section will give an answer to the sub question *‘what is the status of micro finance in Yogyakarta?’*. The third section will focus on the sub question *‘how does micro finance influence women empowerment? And why?’*. In the last paragraph the conclusion is summarized and an answer to the main question is given: *‘What is the impact of micro finance on the empowerment of women in Yogyakarta, Indonesia and how can it be explained?’*.

This study shows the impact of micro finance on women’s empowerment, specifically economic empowerment. It highlights how women got more empowered by access to small loans provided by micro finance programs and how this improved their status in the household and local community.

5.1. Status of women empowerment

The status of women empowerment in Yogyakarta can be defined in two ways. Women feel insecure about the role they need to fill in society. On the one hand women have to deal with the patriarchal structure that is imposed on them and makes them feel they have to stay in the traditional roles, but on the other hand wanting to modernize and live by more ‘Western’ and emancipated values. What also indicates the patriarchal structure women live in, is the fact that most of the important positions in Indonesia are held by men. Interviews showed that women mostly do not provide the main income in Yogyakarta; from the male perspective, the position of women is not in the public sphere, but mainly domestic circles. Despite the fact that women are still less equal to men in a lot of ways, there are developments visible which are pushing the level of equality into the right direction. Women are getting more and more involved on the labor market and compared to other Indonesian cities, Yogyakarta is on the forefront of creating a more equal society through a number of programs.

5.2. Status of micro finance

A lot of different actors are involved in micro finance programs in Indonesia. This is no different in the Yogyakarta Special Region. With a lot of programs, it is often hard to control and measure all developments. The concept of micro finance seems to work in a lot of areas and communities in Yogyakarta, but the application and regulation of all programs is not working. Looking at the researched area, it certainly got more developed and the houses have become better, but more substantial developments such as better infrastructure, internet, water and electricity need major support of the government and do not necessarily profit from the micro finance programs. Interviews with the different women indicate that they have more to spend but major and more decisive developments for people or neighbourhoods remain. It does certainly have an effect on the improvements of the life of women; their houses and businesses are more developed, but more substantial investments cannot be made. Micro

finance is to be seen as a support program to be used as additional income, lacking the power needed to make more substantial progress for women empowerment.

5.3. Micro finance and the effect on women empowerment

From the studied literature, there is a clear causal link that shows that women get more economically empowered by the use of micro finance. As for Yogyakarta, micro finance has influenced women empowerment in a positive way. Looking at the term ‘empowerment’, the overall feeling is that women became more active in different areas. Before receiving micro finance, women did not really contribute in society and did not play any roles outside the household. Women within the community got more active in decision making roles and are involved in organising different events, something they did not think was possible before receiving micro finance. Another positive outcome one can see is by looking at the overall situation of women. Their incomes increased, which gave them more abilities to make more and better products, improving their overall business and creating a feeling of more economic independence.

Although there are many positive aspects to mention looking at the effect micro finance had on women empowerment, some interviews stated that the role in the household did not change. Women now own a business, but they are still also responsible for the household and for the care of the children.

5.4. Answering the research question

Looking at the main research question, one can say that micro finance has ensured that women can now use their agency to make meaningful choices in different ways, especially concerning their own business and parts of their income, including having more personal property. Women can now make choices by buying things for themselves and they have more to say about their own business. Agency can be applied in many ways and microfinancing has actually played a positive role in this. Agency can be seen as individual choices that women can now make regarding better care and education for their children. They have also made other choices from a social point of view because they have now entered more leadership positions in the community and say they feel to have ‘a sense of identity’. In addition, they have become more self-assured and all women interviewed had a positive view on the future for women in Indonesia, with the main message being that they have become stronger and that women are the future of Indonesia.

6. Recommendations

The outcome of this research revealed that women have been empowered through the help of micro finance in several ways; however, there are still some steps to overcome. The following recommendations have therefore been made to help micro finance to become the promised and perfect tool for women empowerment.

The study revealed that although women who receive micro finance, benefit in positive ways from the program, they still face the problem that their roles in the household did not change; owning and running a business is just another task to fulfil. It is therefore recommended that, besides micro finance programs that turn to women, different programs should be developed for men to change their mindset. To really improve the life of women, awareness of support for mainly men should be developed and must be mentored. The BPPM could develop a special program focused on this issue and address this in the same communities as the micro finance communities.

The research also revealed another problem concerning micro finance and that is the amount of micro finance programs in the Special Region of Yogyakarta. It is easy to get lost between the enormous number of programs, possibly being overwhelming for the women that want to make use of it. Micro finance programs should therefore be better regulated by the government, based on the true needs of women. This problem should be addressed to policy makers at government level.

Finally, a recommendation in the field of further research is made. The scale of this research is only limited, so any conclusions also represent just a small part of in this case women empowerment. Only a limited number of interviews were conducted and only one certain area in Yogyakarta has been researched. Therefore, a follow-up study would do well to expand this number and compare different communities within the city.

7. Discussion

In this section the research will be evaluated by looking at the research expectations and the results, as well as some limitations.

7.1. Analysing the conclusion

Analytically, this research has attempted to draw up a better understanding of the effects of micro finance on women empowerment. Shown in researches, micro finance programs are tools that offer financial services for women who are poor and do not have any other access to financial institutions. It says that the use of micro finance improves the livelihood of women and can improve the empowerment of these women, especially economic empowerment.

First of all, to increase the reliability of the research, data triangulation has been used. To come to full understanding of the research problem, both existing literature research and a field research has been conducted. By using multiple data sources, the reliability of the research increased. Looking back at the literature research on the topic of micro finance and women empowerment, it was hard to find data that was specifically focused on cases in Indonesia and therefore it was hard to really come to full understanding of the effects of micro finance on women empowerment, because one cannot look back at previous researches to for example make a comparison. Because of the lack of research done in specifically Yogyakarta, it is hard to make assumptions and therefore also hard to use the results for possible follow-up studies in different places because the outcome of the results might be different.

Second, looking at the conducted research in Yogyakarta concerning micro finance and women empowerment, some issues have not become quite clear. The research was mainly focused on women's economic empowerment because of the nature of micro finance programs. But one could have also looked at the effects of micro finance programs on women empowerment in terms of social empowerment or political empowerment. This research has only looked at one aspect of women empowerment because of the lack of time and size of the research. To get a full understanding of how women really developed themselves after receiving micro finance, other terms of empowerment could also be researched. For example, to have a deeper view on if and how women got into various decision-making bodies or in what ways women became stronger to change and strengthen social relations and their position in social structures. To come to full understanding how women got empowered, more research should be done, also by the use of an interview guide, to come to understanding how women got empowered in many other aspects as well.

Finally, when looking at the validity of the research, the question is whether the results really match the reality. Because only one micro finance institution has been researched, it could be that other results would have been the outcome looking at other institutions such as banking and NGOs. Based on different interviews with experts, the choice for the organization BPPM was made. Therefore, the

outcome of the research might be to a lesser extent reliable, because the choice of interviews was held after taking opinions of one person into account. This was partly based on factual information based on that of the BPPM, but no other data or information was given by other authorities that this micro finance community was really a ‘best practice community’. The results are not all based on the outcome of an opinion and in the end, there were four women who were interviewed. So for that matter, that does not affect the research in its entirety, but the choice of program and location is entirely based on the opinion of a respondent and for that one can say that the results are not entirely reliable. Therefore, follow-up research at other institutions and organizations, based on this research, could show that the outcomes of this research are reliable.

7.2. Other limitations

One of the limitations encountered during the research is the language barrier. Because of this practical limitation, this research cannot provide a complete overview of all the results obtained during interviews. An interpreter was present at every interview, but unfortunately her English was not sufficient enough to translate everything in detail. Because of this language barrier, the interviewee also had some troubles questioning, because not everything was fully understood. Despite of this limitation, one can satisfactorily look back at the results obtained, and the results were sufficient enough to contribute to the literature research and the final conclusions.

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Appendix

Interview guide rural areas

Introduction

My name is Thera Piening and I want to thank you for taking the time to meet me today. You know from my earlier email what my research project is about and that by doing this research I try to find out in what ways the rural areas of Yogyakarta are affected by micro finance and women empowerment. I would like to talk to you about your experiences of the rural areas of Yogyakarta. This interview should take less than an hour. If you don't mind, I would like to record this interview because I do not want to miss any of your comments. They are important for my research, will be only used for my research and kept confidential.

I will first ask you questions about a set of topics related to your personal experiences with the rural areas of Yogyakarta. At the end of the interview there is also time to add comments, if you wish.

Body

Introduction

- First of all, could you shortly introduce yourself?
- What is your working experience?
- Are you recently studying any topics about rural areas of Yogyakarta?
- What is your interest in rural areas and communities?

Rural areas

- Could you briefly map the rural areas of Yogyakarta for me?
 - a. How many villages (approximately) are there?
 - b. How many inhabitants?
 - c. What is the average income of the inhabitants?
 - d. What are the general businesses they are occupied in?
- How would you identify the rural areas of Yogyakarta?
- Are the rural areas around the city increasing or expanding? Why?
- What are the main problems of the rural areas around Yogyakarta?
 - a. Poverty
 - b. Gender inequality
- How are these problems solved?
 - a. Micro finance
- Do you think these problems could be avoided?
 - a. What could be the role of the government?
 - b. What could be the role of NGOs?
 - c. What could be the role of communities themselves?
- What is done to give people in rural areas better life perspectives?
 - a. Financial support

- b. Training
- c. Courses
- d. Housing

Micro finance

- Do you know any micro finance programs in villages of the rural areas of Yogyakarta?
- Could you briefly explain how these programs work?
- Do you think that people benefit from these programs? And why?
- Do you think that the rural areas are becoming more developed by the use of micro finance? Why do you think so?
- Are there any other ways or methods of improving life of people in rural areas rather than micro finance?

Women empowerment

- Could you briefly explain the role of women in communities in rural areas?

What is your opinion on gender issues in rural areas?

- Do you think women are less empowered in rural areas than for example in urban Yogyakarta? Why do you think that?
- Do you think that micro finance can change the life of women?

Personal experiences

- In your personal opinion, is there enough being done or should be done more for the rural areas around the city?
- Does your work give you a positive or negative feeling? Why?
- My final question would be: how do you see the future of the rural areas? In particular for women in these areas? Do you think they will be able to be more empowered by the help of micro finance?

Conclusion

Thank you very much for your time, this has been very helpful for my and my research. Is there anything else you would like to add? If I might come up with different questions or I want to check if I understood you correctly, may I then contact you again? I will also conduct some more interviews. If you have any suggestions of whom I should also talk to, to complete my picture, I would be happy to know. After analyzing the interviews systematically, I will draw up my conclusions and write a report. This will take me some time. I'll be happy to send you a copy, if you are interested?

Interview guide micro finance

Introduction

My name is Thera Piening and I want to thank you for taking the time to meet me today. You know from my earlier email what my research project is about and that by doing this research I try to find out in what ways the micro finance has an effect on women empowerment and how this influences rural areas in Yogyakarta. I would like to talk to you about your experiences of micro finance programs in Yogyakarta. This interview should take less than an hour. If you don't mind, I would like to record this interview because I do not want to miss any of your comments. They are important for my research, will be only used for my research and kept confidential.

I will first ask you questions about a set of topics related to your personal experiences with the micro finance in Yogyakarta. At the end of the interview there is also time to add comments, if you wish.

Body

Introduction

- First of all, could you shortly introduce yourself?
- What is your working experience?
- Could you briefly tell me something about your current working situation?
- What is your interest in micro finance in rural areas and communities around Yogyakarta?

Rural areas

- Could you briefly map the rural areas of Yogyakarta for me?
 - e. How many villages (approximately) are there?
 - f. How many inhabitants?
 - g. What is the average income of the inhabitants?
 - h. What are the general businesses they are occupied in?
- How would you identify the rural areas of Yogyakarta?
- What are the main problems of the rural areas around Yogyakarta?
 - c. Poverty
 - d. Gender inequality
- How are these problems solved?
 - b. Micro finance

Micro finance

- Could you shortly give me an overview of how microfinancing works in Yogyakarta?
 - a. What kind of programs exist?
- Could you briefly explain how these programs work?
- Do you think that people benefit from these programs? And why?

- Do you think that the rural areas are becoming more developed by the use of micro finance? Why do you think so?
- Are there any other ways or methods of improving life of people in rural areas rather than micro finance?
- Do you see progress in rural areas because of the micro finance programs?

Women empowerment

- Could you briefly explain the role of women in communities in rural areas?

What is your opinion on gender issues in rural areas?

- Do you think women are less empowered in rural areas than for example in urban Yogyakarta? Why do you think that?
- Do you think that micro finance can change the life of women?
- Do you think that micro finance is the best way to improve women empowerment? Why do you think that?
- Has the program provided economic benefits to women specifically? How can you tell?

Measuring empowerment

-

Personal experiences

- In your personal opinion, is there enough being done with micro finance or should be done more for the rural areas around the city?
- Does your work give you a positive or negative feeling? Why?
- My final question would be: how do you see the future of micro finance programs in Yogyakarta? In particular for women in these areas? Do you think they will be able to be more empowered by the help of micro finance?

Conclusion

Thank you very much for your time, this has been very helpful for my and my research. Is there anything else you would like to add? If I might come up with different questions or I want to check if I understood you correctly, may I then contact you again? I will also conduct some more interviews. If you have any suggestions of whom I should also talk to, to complete my picture, I would be happy to know. After analyzing the interviews systematically, I will draw up my conclusions and write a report. This will take me some time. I'll be happy to send you a copy, if you are interested?

Interview guide women empowerment

Introduction

My name is Thera Piening and I want to thank you for taking the time to meet me today. You know from my earlier email what my research project is about and that by doing this research I try to find out

in what ways the micro finance has an effect on women empowerment and how this influences rural areas in Yogyakarta. I would like to talk to you about your experiences of micro finance programs in Yogyakarta. This interview should take less than an hour. If you don't mind, I would like to record this interview because I do not want to miss any of your comments. They are important for my research, will be only used for my research and kept confidential.

I will first ask you questions about a set of topics related to your personal experiences with the micro finance in Yogyakarta. At the end of the interview there is also time to add comments, if you wish.

Body

Introduction

- First of all, could you shortly introduce yourself?
- What is your working experience?
- Could you briefly tell me something about your current research topic that is related to women empowerment?
- What is your interest in women empowerment in Yogyakarta and why do you think this is important?

Rural areas

- Could you briefly map the rural areas of Yogyakarta for me?
 - a. How many villages (approximately) are there?
 - b. How many inhabitants?
 - c. What is the average income of the inhabitants?
 - d. What are the general businesses they are occupied in?
 - e. How do you think women are empowered in rural areas?
- Do you think there is a difference between rural and urban Yogyakarta? And why?
- What are the main problems of the rural areas around Yogyakarta?
 - a. Poverty
 - b. Gender inequality
- How are these problems solved?
 - a. Micro finance

Micro finance

- Could you shortly give me an overview of how microfinancing works in Yogyakarta?
 - a. What kind of programs exist?
- Do you think that people and in particular women benefit from these programs? And why?
- Do you think that the rural areas are becoming more developed by the use of micro finance? Why do you think so?

- Are there any other ways or methods of improving life of women in rural areas rather than micro finance?
- Do you see progress in rural areas because of the micro finance programs?

Women empowerment

- Could you briefly explain the role of women in communities in rural areas?
- What is your opinion on gender issues in rural areas?
- Do you think that micro finance can change the life of women?
- Do you think that micro finance is the best way to improve women empowerment? Why do you think that?
- What do think of the theory that is applied for this research? Do you think it fits in this region

Measuring empowerment

Personal experiences

- In your personal opinion, is there enough being done for women empowerment in rural areas? Why?
- Does your work give you a positive or negative feeling? Why?
- My final question would be: how do you see the future of women in rural areas in Yogyakarta? And do you think they will be able to be more empowered by the help of micro finance?

Conclusion

Thank you very much for your time, this has been very helpful for my and my research. Is there anything else you would like to add? If I might come up with different questions or I want to check if I understood you correctly, may I then contact you again? I will also conduct some more interviews. If you have any suggestions of whom I should also talk to, to complete my picture, I would be happy to know. After analyzing the interviews systematically, I will draw up my conclusions and write a report. This will take me some time. I'll be happy to send you a copy, if you are interested?

Interview guide case study

Introduction

My name is Thera Piening and I want to thank you for taking the time to meet me today. In my research I try to find out in what ways the micro finance has an effect on women empowerment and how this influences rural areas in Yogyakarta. I would like to talk to you about your experiences of micro finance programs in Yogyakarta. This interview should take about an hour. If you don't mind, I would like to record this interview because I do not want to miss any of your comments. They are important for my research, will be only used for my research and kept confidential.

I will first ask you questions about a set of topics related to your personal experiences with the micro finance in Yogyakarta. At the end of the interview there is also time to add comments, if you wish.

Body

Introduction

- Could you shortly introduce yourself?
- In what support program are you enrolled?
- Can you briefly explain me how this program works for you?
- What are the main sources of income in the household and what are women's and men's roles?
- What is your main business and how has it changed?
- what are the reason for these changes?
- What about other businesses?
- Which sources particular generate income by men and which by women?

Micro finance

- How has your overall situation changed after the loan of micro finance program?
- How has the composition of your household changed since the micro finance program?
- How have your relationships changed within your family and household after micro finance?
- How far do you feel able to plan the future?
- What roles (if any) have you played outside your household after micro finance? How and why have these changed?
- Have the sources of income of the roles of men and women changed after the micro finance program? In what way?

Empowerment

- How would you explain empowerment? Do you feel empowered in your community?

(empowerment indicators)

- Do you feel more empowered after micro finance? Do you for example feel more confident?
- Are there any effects of changes on the lives of men and women?
- Could you tell me who is doing chores and employment in your household? And have these roles changed after the loans of micro finance? How?
- Has the program provided economic benefits to women specifically?
- What are the households assets or property and who in your household owns these? Do you think this changed after receiving micro finance?
- Who in the household makes decisions regarding selling and buying items? Do you think this has changed after micro finance?

Rural areas

- What services are available in your community? (electricity, roads, internet etc.) and did your access change after the micro finance program? Can you use more services?
- Did the area change because of these loans? If so, did the community change?
- Do you think micro finance has a positive outcome for you community? And why?

Conclusion

Thank you very much for your time, this has been very helpful for my and my research. Is there anything else you would like to add?