

THE ROLE OF CREDIT UNIONS AND OTHER MFIS IN IMPROVING ECONOMIC WELFARE IN THE RESIDENCY OF KEDIRI

*Dr. Dwi Wulandari**

Abstract: *There are more than 95% micro-enterprises in Indonesia which require the support of cheap financing. Credit Unions and other MFIs are expected to be able to channel financing at low interest so that Small and Medium Enterprises (SMEs) will be able to grow. This study aims to look at in real terms how the role of Credit Unions and other MFIs in residency of Kediri (Blitar, Tulungagung, Kediri, and Nganjuk District) where this role can be seen from the aspects that support entrepreneurship and development of SMEs in the region, reduce poverty and the problem of unemployment. The approach of this study is a qualitative approach and describes the role of Credit Unions and other MFIs in effort to improve the community economy in residency of Kediri. The choices of these areas were based on the relevance of the regional government in assisting MFIs in effort to alleviate poverty and unemployment. The results of this study in general showed that MFIs have role in poverty alleviation. Efforts are made to encourage people to become entrepreneur of micro, small and medium enterprises with funding support from the Credit Unions and other MFIs.*

Keywords: *Credit Unions, Microfinance Institutions, MFIs, Economic Welfare, Poverty, Unemployment, Small Medium Enterprise*

1. INTRODUCTION

The existence of Cooperatives and SMEs have been able to become source of public revenue and employ many workers, although it has contributed relatively smaller value added compared to large scale enterprises. There are many cooperatives and SMEs all over urban areas and rural areas especially in East Java because it has many potential people with good skill and knowledge to become entrepreneurs. The market share of all kinds of product are very wide and has many potential customers. That is why there are many people who start their business and trying to gain advantage from the number of customers in East Java. The business field of Cooperatives and SMEs covering several sectors, namely: (1) Agriculture, (2) Mining and Quarrying, (3) Processing Industry, (4) Electricity, Gas and Water, (5)

* Faculty of Economics, Universitas Negeri Malang Email: wulan501@yahoo.com

Construction, (6) Trade, Hotels and Restaurants (7) Transportation and Communications, (8) Financial Services, Leasing and Business Services, and (9) Services.

The Number of Small and Medium Enterprises nationwide had reached 56.5 million small enterprises (98.79%) and 629.7 million Medium Business (0.22%). The SMEs contribution in the establishment of the Gross Domestic Product (GDP) reached Rp. 1257.65 trillion or 37.67% for Small Business and Rp. 521.09 trillion, or 15.61% for medium enterprises. The contribution of SMEs in employment is 80,933,384 people or 91.14% for Small Business and 4,483,109 people or 5.05% for medium enterprises (<http://kominfo.jatimprov.go.id>).

From the above data, it can be seen that more than 95 percent business are micro-scale enterprises which require the support of cheap financing. With the enactment of Law No.1 of 2013, it is expected that a tender MFIs inventoried for subsequent grants being made through the support of the municipality/district. The MFIs is expected to disbursed loans with low interest. That way, SMEs can be expected to grow more rapidly. Currently, the number of registered MFIs in East Java that has a legal entity are only about 2,000 of the total of 19,300 institutions MFIs throughout Indonesia (<http://kominfo.jatimprov.go.id>). We can see that the role of MFIs in providing cheap financing for SMEs is much needed but the number of MFIs is relatively low compared to the number of SMEs.

The presence of Credit Unions and other MFIs, was established specifically to provide business development services and community empowerment to be able to combat their loan sharks (*Bank titil*). Loan shark preying on the desperation of the poor by charging exorbitant interest rates and employing unsavory collection methods, the traditional moneylender provides a valuable service for poor people who require quick and flexible infusions of cash to meet immediate and pressing consumption needs or to cope with emergencies. Like savings, consumption/emergency loans form an integral component of poor households' risk management and coping strategies (Brau and Woller, 2004).

All these years, many small communities obtain capital from loan shark more than financial institutions that have legal entities because it is easier to obtain a loan without any collateral, despite the higher interest rates. This is caused by their needs for money to start a small business, the capital they need was also less than ten million rupiahs. To combat this, the MFIs as institutions can facilitate the development of microfinance for SMEs

and should be able to improve and develop the performance of SMEs in Residency of Kediri without further contact with loan sharks (*Bank Titil*). For these micro and small businesses, going to a bank or other financial institutions is not an option because there many requirements and collateral and also for them going to a formal institutions is never easy. The point is there are many SMEs that are not bankable. So what they do is, they go to a loan shark that provides them an easy service, no paper needed, no collateral needed but these loan sharks charge a very high interest rate and at the end it will reduce the capability of the SMEs to survive (<http://dprd.jatimprov.go.id>).

As with banks, curbing the MFIs is also required in order to anticipate potential risks that could harm not only consumers but also the national economy. Given the very diverse forms of MFIs (banks and also non-bank), the supervision of MFIs were still not integrated by an institution. For example, in the form of MFIs bank, such as Rural Bank(*Bank Perkreditan Rakyat*), at first under the supervision of Bank Indonesia. Meanwhile, for MFIs in the form of non-banks, such as Credit Unions and *Baitul Maal Wa Tamwil (BMT)*, under the supervision of the Ministry of Cooperatives and Small and Medium Enterprises. However, after *Otoritas Jasa Keuangan (OJK)* is present, MFIs are currently under the supervision of OJK. Thus, matters relating to MFIs, such as consolidation, merger, or, dissolution will be regulated by the OJK. However, the role of OJK is currently not optimal in its role to develop MFIs given the variety forms of MFIs.

Given the strategic role of MFIs in the provision of financial services, especially for the low-income earners, small and micro entrepreneurs, this study aimed to see the actual role of MFIs in Residency of Kediri. This role can be seen from the aspects of support for entrepreneurship and development of SMEs in the region, poverty and unemployment problems especially in the area of Residency of Kediri. The results of this study are expected to provide an overview of the importance of MFIs in order to improve the economy of communities in Residency of Kediri.

2. THEORETICAL FRAMEWORK

Microfinance or micro-credit is the extension of small loans to individuals who are too poor to qualify for traditional bank loans, as they have no assets to be offered as a guarantee. Menon (2005), According to Manadhar and Pradhan 2005 stated that microfinance is an successful development tool for the improvement of the economic sector since financial institute serviceswere possible to poor society and low income household to obtain advantages of

the economic opportunities for enhancing their living standards by self-employment. One of the experimental evidences indicate from various papers such as Khandker and Farugee (2001), found that the advantages of microfinance for the poor and it increase their living standard especially in health treatment and education.

Kabir, Dey, and Islam (2012) describe the main features of the micro credit institution which differentiate it from other commercial institutions are, it is (1) a substitute for informal credit; (2) generally requires no collateral; (3) have simple procedures and less documentation; (4) mostly group lending; (5) easy and flexible repayment schemes; (6) financial assistance of members of group in case of emergency; (7) the most deprived segments of population are efficiently targeted, and the last but not least is (8) groups interaction with each others.

According to Dupas and Robinson (2008) that common weapon which promote the economic growth and enhance the living standard of the individuals are increase by the micro financing. Microfinance institutions, saving and credit cooperatives should be designed to responds the failure of the commercial and development banks to meet the financial needs of poor and small producers (Adebayo, 2009, Fiona, 1999). Credit Unions and other MFIs directly affect household income by encouraging productivity. It also increases diversity of production and productivity, as well as, maximize the utilization of available resources and to exploit their comparative advantage within market places. Furthermore, it encourages the socio-economic development of the concerned society (AEMFI, 2000, Ahmed et al, 2011).

There are different types of poverty such as income poverty, absolute poverty, and relative poverty and consistent poverty (Ebimobowei, et al 2012). Income poverty is type of poverty that is the result of lack of money or limited income while absolute poverty is a type of poverty where people are starved, living without proper housing, clothing or medical care- people who struggle to stay alive. Relative poverty is a type of poverty where people are considered to be living substantially less than the general standard of living in the society. Consistent poverty is a type of poverty that is the combination of income poverty and deprivation (Khandker, 2003; Momoh, 2005). Microfinance is the process of lending small amount of money without collateral to help poor people to become entrepreneurs (Gebrehiwot, 2001; Bamlaku, 2004).

In **Indonesia**, the Law No. 9 of 1995 defines small enterprises to be those owned by Indonesian citizens; independent and unaffiliated with large

enterprises; and individual businesses, with or without legal licensing, including cooperatives. It called Small Enterprise if there are has assets less than Rp 20 Million (Excluding land and building with annual sales volume not more than Rp 1 Billion. For categorized Medium Enterprise, it has assets more than Rp 20 million with annual sales volume is more than Rp 1 billion.

The **Indonesia** economy is basically characterized by grassroot **SMEs** that make up nearly 99.95 percent of the total number of enterprises. There are 41 million small economic units in the overall economy (including the agricultural sector), 60,000 medium-sized enterprises and more than 2,000 large enterprises. As of 2000, small enterprises accounted for 89 percent of total employment and medium-sized enterprises accounted for 10.55 percent. Conversely, small enterprises only accounted for 41 percent of GDP and medium enterprises 16 percent. Accordingly, the success in promoting **SMEs** is widely recognized as critical to long-term sustainable economic growth (www.bicg.org).

There is a need to increase the productivity of the **SME** sector. Wang (2013) provides an investigation into the impact of microfinance on the development of **SMEs**. studies the impact on firm level in terms of their net profit growth and revenue growth. The study also shows that **SMEs** that have participated and received microfinancing before are very likely to apply for and receive microfinancing in the future again. The loans demanded by smaller enterprises are smaller than those requested by larger once but the interest rates remain the same. This indicates that, per unit cost is high for **MFIs** targeting customers with very small loans and possessing small savings accounts (Robinson, 2003).

The high interest rate is also as a means to tackle the problem of adverse selection where a choice is made between risky and non risky projects. The good clients suffer at the expense of the bad ones (Graham Bannok and partners, 1997). Microfinance clients admit that convenience is more important to them than return (Schmidt and Zeitinger, 1994).

3. METHODS

3.1 Types of Research

This research is descriptive qualitative research. The descriptive study intended that researchers can better illustrate the properties that are known to exist and are relevant to the variables studied. Qualitative research is a broad methodological approach that encompasses many research methods.

The aim of qualitative research may vary with the disciplinary background, such as a psychologist seeking to gather an in-depth understanding of human behavior and the reasons that govern such behavior. Qualitative methods examine the *why* and *how* of decision making, not just *what*, *where*, *when*, or *who*, and has a strong basis in the field of sociology to understand government and social programs, and is popular among political science, social work, and special education and education majors.

In the conventional view by statisticians, qualitative methods produce information only on the particular cases studied and any more general conclusions are considered propositions (informed assertions). Quantitative methods can then be used to seek empirical support for such research hypotheses. In contrast, a qualitative researcher holds that understanding of a phenomenon or situation or event comes from exploring the totality of the situation, often has access to large amounts of hard data. It may begin as a grounded theory approach with the researcher having no previous understanding of the phenomenon; or the study may commence with propositions and proceed in a scientific and empirical way throughout the research process (Bogdan & Taylor, 1990).

A popular method of qualitative research is the case study which examines in depth purposive samples to better understand a phenomenon hence, smaller but focused samples are more often used than large samples which may also be conducted by the same or related researchers or research centers (e.g., Braddock, et al., 1995). The approach in this study is a qualitative approach and describes the role of Credit Unions and other MFIs in an effort to improve the community economy in Residency of Kediri. The location of this research is Blitar, Tulungagung, Kediri and Nganjuk district, while this research period takes 5 months. We tried to look for as many resources as we can so that we are able to look at the bigger picture instead of narrow minded or small perspective. We examine the situations in four districts, we were conducting in depth interview, we tried to get resources from the SMEs point of view, MFIs point of view, bank and other financial institutions point of view, government point of view so we can get a wider pictures of the role of MFIs in these four cities.

3.2 Data Collection

The choices of these four are as were based on the relevance of local government in assisting MFIs. It also based on the number of MFIs in these districts and the contribution that is seen and also based on the geographical condition of these areas. In attempt to obtain data, several techniques were

used including questionnaire and interview techniques. We are trying to conduct an in depth interview and expanding the answers from the respondents so we can get a clearer view of the role of MFIs. We tried to examine the role by looking at many aspects such as the benefits provided to the society as a whole and more specifically to the SMEs in these areas. The businessmen, the employees, the Government were becoming part of our studies. The data were processed through data grouping and classified according to the order of classification issues and internal and external factors. In this study in order to complete the analysis, data were analyzed qualitatively.

3.3 Data Analysis Technique

The qualitative data analysis model used in this research is the analysis of data developed by Miles and Huberman (1984) conducted with interactive models through the process of data reduction, display data, and verification. The most common method used to generate data in qualitative research is an interview which may be structured, semi-structured or unstructured. Other ways to generate data include group discussions or focus groups, observations, reflective field notes, texts, pictures, and other materials. Very popular among qualitative researchers are the studies of photographs, public and official documents, personal documents, and historical items in addition to images in the media and literature fields.

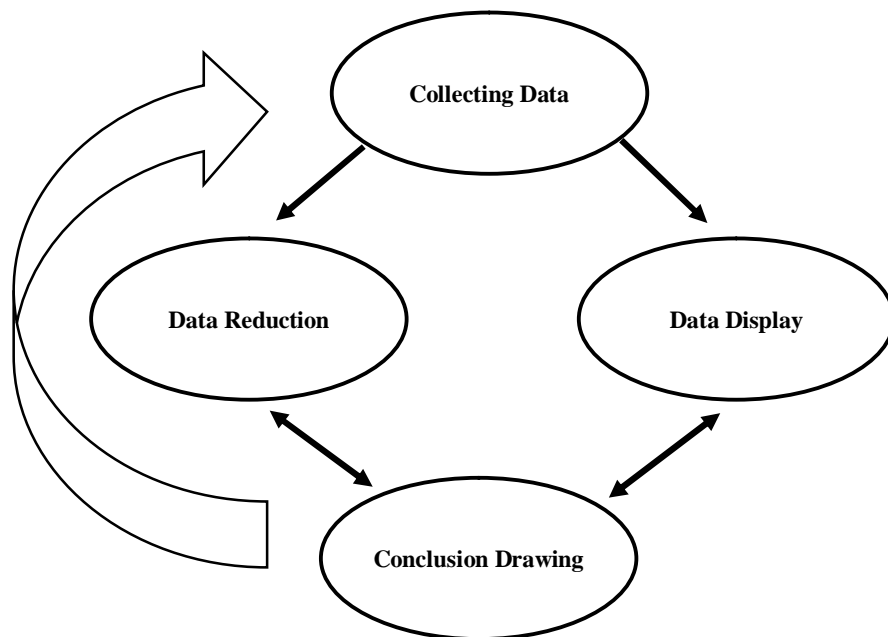
To analyse qualitative data, the researcher seeks meaning from all of the data that is available. The data may be categorized and sorted into patterns as the primary basis for organizing and reporting the study findings. Qualitative researchers, often associated with the education field, typically rely on the following methods for gathering information: Participant Observation, Non-participant Observation, Field Notes, Reflexive Journals, Structured Interview, Semi-structured Interview, Unstructured Interview, and Analysis of documents and materials.

The ways of participating and observing can vary widely from setting to setting as exemplified by Helen Schwartzman's (1993). Participant observation is a strategy of reflexive learning, not a single method of observing. and has been described as a continuum of between participation and observation. In participant observation researchers typically become members of a culture, group, or setting, and adopt roles to conform to that setting. In doing so, the aim is for the researcher to gain a closer insight into

the culture's practices, motivations, and emotions. It is argued that the researchers' ability to understand the experiences of the culture may be inhibited if they observe without participating.

The data that is obtained is streamlined to a definite theme or pattern, or representation of a theory or systemic issue or approach. This step in a theoretical analysis or data analytic technique is further worked on. An alternative research hypothesis is generated which finally provides the basis of the research statement for continuing work in the fields.

Figure 1. Interactive model Miles and Huberman (1984)



4. RESULT AND DISCUSSION

4.1 Developments and Role of MFIs

A microfinance institution is an organization that offers financial services to low income populations. Almost all give loans to their members, and many offer insurance, deposit and other services. A great scale of organizations is regarded as microfinance institutes. They are those that offer credits and other financial services to the representatives of poor strata of population (except for extremely poor strata) (<http://www.microfinanceinfo.com>).

Microfinance is increasingly being considered as one of the most effective tools of reducing poverty. Microfinance has a significant role in bridging the gap between the formal financial institutions and the rural poor. The Micro Finance Institutions (MFIs) accesses financial resources from the Banks and other mainstream Financial Institutions and provide financial and support services to the poor.

MFIs are the pivotal overseas organizations in each country that make individual microcredit loans directly to villagers, microentrepreneurs, impoverished women and poor families. An overseas MFIs is like a small bank with the same challenges and capital needs confronting any expanding small venture but with the added responsibility of serving economically-marginalized populations. Many MFIs are creditworthy and well-run with proven records of success, many are operationally self-sufficient (<http://www.cgdev.org/>).

Soni (2012) explained the various types of institutions offer microfinance: credit unions, commercial banks, NGOs (Non-governmental Organizations), cooperatives, and sectors of government banks. The emergence of for-profit MFIs is growing. In India, these for-profit MFIs are referred to as Non-Banking Financial Companies (NBFC). NGOs mainly work in remote rural areas thereby providing financial services to the persons with no access to banking services.

The term transformation, or commercialization, of a MFIs refers to a change in legal status from an unregulated nonprofit or NGOs into a regulated, for-profit institution. Regulated, transformed organizations differ from nonprofits in that they are held to performance and capital adequacy standards and are supervised by a financial authority, typically the central bank of the country where they are registered. A transformed MFIs also attracts equity investors. The equity investors want to ensure that the values of their investments are maintained or enhanced and elect Board members who share a common vision for the new for-profit institution. Among transformed MFIs, varying classifications of regulated institutions exist, the strictest being banks (rural banks and thrift banks) followed by non-bank financial institutions. Different countries have varied names for these regulated MFIs (<http://www.microfinanceinfo.com>).

The microfinance sector consistently focuses on understanding the needs of the poor and on devising better ways of delivering services in line with

their requirements, developing the most efficient and effective mechanisms to deliver finance to the poor. Continuous efforts towards automation of operations is steady improving in efficiency. The automated systems have also helped accelerate the growth rate of the microfinance sector.

The goal for MFIs should be (<http://www.microfinanceinfo.com>):

- To improve the quality of life of the poor by providing access to financial and support services;
- To be a viable financial institution developing sustainable communities;
- To mobilize resources in order to provide financial and support services to the poor, particularly women, for viable productive income generation enterprises enabling them to reduce their poverty;
- Learn and evaluate what helps people to move out of poverty faster;
- To create opportunities for selfemployment for the underprivileged;
- To train rural poor in simple skills and enable them to utilize the available resources and contribute to employment and income generation in rural areas.

In Blitar district, we can find many proves that there are many people who has the potential to develop a micro business. These micro business needed to be developed and maintain so that it can grow to become a sustainable business that helps to reduce unemployment and alleviate poverty. We find that Blitar District Government seeks to revitalize MFIs in accordance with Law No. 1 of 2013. District Government continue to foster and seek to where MFIs can grow and survive. Until now MFIs in Blitar district has the role to help the economy of rural communities. A lot MFIs began to develop in Blitar district since the 1990s, as a development tool that aims to benefit low income communities. Based on Training Report Accountability (*LKPJ*) of Blitar district in 2013, the number of SMEs that is supported by MFIs is 690 units. In Blitar District in 2014, the number of active MFIs are 92 units including *Bumdes*. Of these amounts, the model MFIs in Blitar are savings and loan or the so called Credit Unions which is one type of cooperative enterprise owned by a group of people in a unifying bond, which agreed to deposit their money to create joint capital to lend among themselves with reasonable interest and for productive purposes and welfare.

Table 1.
Credit Union VS Other Microfinance Institutions

	<i>Credit Unions</i>	<i>Commercial Banks</i>	<i>other MFIs</i>
Structure	Not-for-profit, member owned financial cooperatives funded largely by voluntary member deposits	For-profit institutions owned by stockholders	Institutions typically funded by external loans, grants and /or investors
Clientele	Members share a common bond, such as where they live, work or worship. Service to the poor is blended with service to a broader spectrum of the population, which allows credit unions to offer competitive rates and fees.	Typically serve middle-to-high income clients. No restrictions on clientele.	Target low income members /clients, mostly women, who belong to the same community.
Governance	Credit union members elect a volunteer board of directors from their membership. Members each have one vote in board elections, regardless of their amount of savings or shares in the credit union.	Stockholders vote for a paid board of directors who may not be from the community or use the bank's services. Votes are weighted based on the amount of stock owned.	Institutions are run by an appointed board of directors or salaried staff.
Earnings	Net income is applied to lower interest on loans, higher interest on savings or new product and service development.	Stockholders receive a pro-rata share of profits	Net income builds reserves or is divided among investors.
Products & Services	Full range of financial services, primarily savings, credit, remittances and insurance.	Full range of financial services, including investment opportunities.	Focus on microcredit. Some MFIs offer savings products and remittance services.
Service Delivery	Main office, shared branching, ATMs, POS devices, PDAs, cell phones, Internet	Main office, shared branching, ATMs, POS devices, PDAs, cell phones, Internet	Regular visits to the community group

(Source: World Council of Credit Unions)

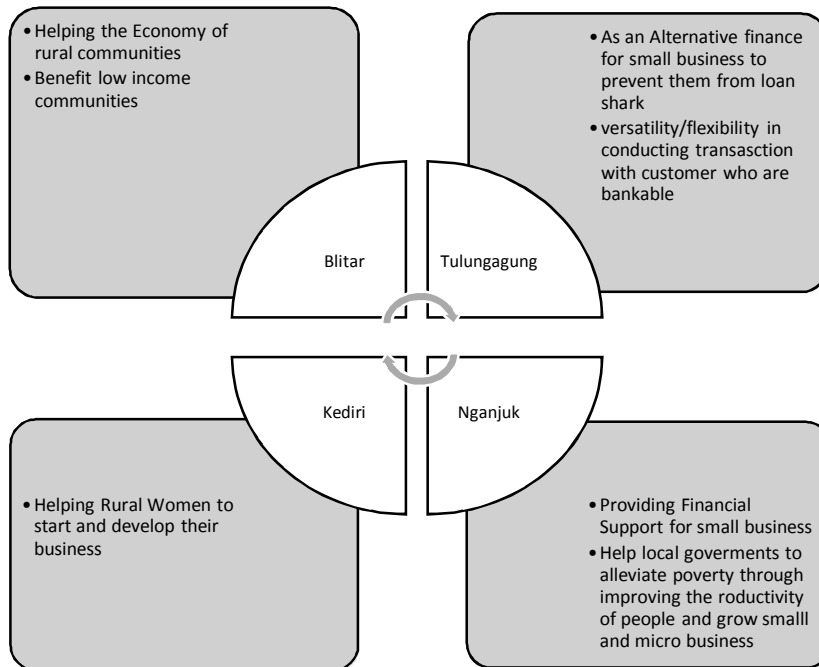
In Tulungagung district, MFIs has the advantage that is relatively owned by commercial banks, namely; (1) as an alternative financing small businesses from the shackles of informal institution loan sharks and (2) location to reach customers for small and micro entrepreneurs, (3) has the versatility/flexibility in conducting transactions with customers identified by

communities as that are not bankable, and (4) a better understanding of the local culture because of its presence psychologically between MFIs managers with members. But behind the highly strategic excellence in empowering rural communities, MFIs in Tulungagung still face many obstacles that can not perform the role and function optimally. There is still a lot of people who want MFIs serves as a community fundraiser, whereas MFIs are still having trouble accessing bank funding or other sources, both to meet the needs of public funds, as well as to cope with liquidity problems. Different from Blitar district, the form of MFIs in Tulungagung were mostly Islamic Microfinance and Cooperatives instead of Credit Unions

Credit Unions and other MFIsin Kediri based on group of rural women in Kediri that has been motivated in the form of Legal Entity Women's Cooperative and until now has been growing rapidly, although there are still obstacles, but they can overcome these obstacles, as for the existence of MFIs as follows: Number of Women Group in the countryside 344 groups that had incorporated cooperatives. 344 Cooperative MFIs either directly or not, sooner or later it will have an impact on local communities, especially rural communities where the MFIs implemented, and these impacts can be viewed in terms of social and economic. In the society In terms of social change there a changes in values/norms, the interaction of social and behavioral consist of knowledge, attitudes, and skills. While in terms of the economy, in general, is distinguished in changes in income and ownership of valuables.

While the Credit Unions and other MFIsin Nganjuk votes can become an instrument that plays a major role helping local authorities in alleviating poverty for the development of small and micro enterprises in the context of poverty alleviation can not be separated from the role of MFIs. When banking was not able to reach small or micro business, then the MFIs is a party that is able to provide financial support to micro suitable characteristics as a supporter of small micro itself, MFIs can help local governments to alleviate poverty through improving the productivity of the people and grow a small business and micro at the village level. In Nganjuk since 2009 there are 125 women's cooperatives. In 2010, 142 women's cooperatives formed again and in 2011 there are more 17 women's cooperatives. Cooperative there only 617 active cooperative carrying out the activities of MFIs in Nganjuk has a function as an intermediary in an economic activity that functioning properly will produce value added. Departing from this phenomenon, it can not be denied that the empowerment of MFIs in Nganjuk is one prerequisite that must be met in order to develop small and micro enterprises aimed at reducing poverty.

Figure 2. Difference function of MFIs in Different District



Source: Data collected

From the description of the development and the role of MFIs above General, Credit Unions and other MFIs have a role in poverty alleviation. Efforts are made to encourage people to become entrepreneur in micro, small and medium enterprises with funding support from the MFIs. Microfinance is the process of lending small amount of money without collateral to help poor people to become entrepreneurs (Gebrehiwot, 2001, Bamlaku, 2004). Besides that, the efforts to reduce poverty can be done with a lot of facilities and programs, both directly and indirectly. Facilities and programs including by encouraging small businesses or micro-enterprises that are productive through the provision of facilities for small-scale loans. Thus, it will be able to increase the productivity of society and to foster small businesses and micro at the lower level as rural. In line with Manadhar and Pradhan, 2005 stated that microfinance is a successful development tool for the improvement of the economic sector since the financial institute make possible service to poor and low income household to obtain advantages of the economic opportunities for enhancing their living standards by self-employment.

5. CONCLUSION

The existence of Credit Unions and Other MFIs is expected to be an instrument to alleviate poverty by encouraging people to become entrepreneur, in micro, small and medium enterprises with the support of funding from MFIs in Blitar district, while the development and the role of MFIs in Tulungagung are rapid, according to most people of Tulungagung who work in the industrial sector because the services of capital savings and loans, while calling as collecting public funds were only small part of it. The development of MFIs in Kediri district are more important in line with the increased demand for services of financial institutions services for rural communities. Likewise, the existence of MFIs in Kediri as an alternative for small business financing. This institute has the objective to improve the welfare of farmers, poultry, fish and SMEs to those who become members through savings and loans. While the MFIs in Nganjuk can become an instrument that plays a major role helping local authorities in alleviating poverty for the development of small and micro enterprises in the context of poverty alleviation can not be separated from the role of MFIs. When banking was not able to reach small business micro, then the MFI is a party that is able to provide financial support to micro business that is suitable to the characteristics as a supporter of small micro itself, MFIs can help local governments to alleviate poverty through improving the productivity of the people and grow a small business and micro at the village level. So far we can conclude that credit union and other MFIs in residency of Kediri play a great role in helping community economy and reducing poverty.

References

- Adebayo, A. A. .2009. Theoretical Perspectives on Poverty Reduction: Challenges for Policy in Nigeria. *International Journal of Economics and Development Issues*. Vol. 8 No. 2 pp. 34-43.
- AEMFI (Association of Ethiopia micro finance Institutions).2000. *Microfinance and Poverty Eradication. Working paper*. Addis Ababa.
- Ahmad, Shafiq, Durrani, Muhammad Kashif Khan, Malik, Muhammad Imran, Usman, Abid 2011. *Role of Micro Finance in Reducing Poverty: A Look at Social and Economic Factors*.
- An Innovative Program to Mobilize Private Capital for Overseas Credit Unions and other MFIs that Provide Micro-Business Loans to Poor Entrepreneurs in the Developing World http://www.cgdev.org/doc/event%20docs/Comp_Info_Memo_ed6_March_06.pdf

- Bamlaku, Alamirew Alemu .2004. Microfinance and Improvement in Living Standards: A Pathway Out of Poverty: The Case of Enemay Woreda, Eastern Gojjam, Amhara Regional State. *Working Paper*.
- Bogdan, R., Taylor, S.J. 1990. Looking at the bright side: a positive approach to qualitative policy and evaluation research. *Qualitative Sociology*, 13(2), 183-192.
- Brau, James C. and Woller, Gary M. (2004) "Microfinance: A Comprehensive Review of the Existing Literature," *Journal of Entrepreneurial Finance and Business Ventures*: Vol. 9: Iss. 1, pp. 1-28. Available at: <http://digitalcommons.pepperdine.edu/jef/vol9/iss1/2>
- Braddock, J. F., Lindstrom, J. E., & Brown, E. J. (1995). Distribution of hydrocarbon-degrading micro-organisms in sediments from Prince William Sound, Alaska, following the Exxon Valdez oil spill. *Marine Pollution Bulletin*, 30, 125±132.
- Dewan Gubernur Perangi Bank Titil Melalui Koperasi dan UMKM - <http://dprd.jatimprov.go.id/berita/id/2654/-dewan-gubernur-perangi-bank-titil-melalui-koperasi-dan-umkm-#sthash.N1TnCAIN.dpuf>
- Dupas, P. And Robinson, J. 2008. Savings Constraints and Microenterprise Development: Evidence from a Field Experiment in Kenya: California Center For Population Research Online Working Paper Series.
- Ebimobowei, Appah, Sophia, John Wisdom, Soreh. 2012. An Analysis of Microfinance and Poverty Reduction in Bayelsa State of Nigeria. *Kuwait Chapter of Arabian Journal of Business and Management Review*. Vol. 1. No.7.
- Fiona, Meehan.1999. Impact of Micro Credit at household level Case study of Dedibit Credit and Saving Institutions. Working Paper.
- Gebrehiwot, Ageba. 2001. Credit Unions and other MFIs in Ethiopia: Issues of Portfolio Risk, Institutional Arrangement and Governance. *Unpublished Paper Presented at Conference on Development of Microfinance in Ethiopia*. Addis Ababa.
- Graham Bannock & Partners (1997). Credit guarantee schemes for small business lending. London: GB & P <http://kominfo.jatimprov.go.id/read/umum/42224> <http://www.Microfinanceinfo.com/>
- Kabir, M.A., Dey, S., Islam, S.M. 2012. The Role of Micro credit and Micro Finance Institutions (MFIs) - Extent and Intensity of poverty, poverty alleviation and Outreach. *International Affairs and Global Strategy Vol 4, 2012*
- Khandker, S.R. and R.R. Farugee. 2001. The Impact of Farm Credit in. Pakistan', World Bank Technical Paper No. 258
- Khandker, S.R.2003. Microfinance and Poverty: Evidence Using Panel Data from Bangladesh". From <http://econ.worldbank.org>
- Manandhar, K. B. and Pradhan, K. K. 2005. Microfinance: Practices and policy Environment in Nepal. Paper presented at World Congress on Agriculture and Rural Finance, Addis Ababa, Ethiopia, November 25th 28th.

- Menon, R. 2005. Micro-credit gathers force. India together. Available at: <http://www.indiatogether.org/2005/nov/eco-microfin.htm>.
- Miles, M. B., & Huberman, A. M. 1984. *Qualitative data analysis: A sourcebook of new methods*. Beverly Hills, CA: Sage.
- Momoh, J. 2005. The Role of Microfinance in Rural Poverty Reduction in Developing Countries. from <http://www.wi.hswismar.discussionpaper>.
- Robinson, M. (2003). *The microfinance revolution: Sustainable finance for the poor*. Vol. 1. Washington D.C.: World Bank
- Schmidt, R. & Zeitinger, C. P. (1994). *Critical Issues in small and micro business finance*. Germany: Interdisziplinare Projekt Consult GmbH.
- Schwartzman, Helen (1993) *Ethnography in Organizations*. *Qualitative Research Methods Series #27* Edited by John Von Maanen.
- Soni, A. 2012. Analysis of Financial Performance of Microfinance Industry. *International Journal of Marketing, Financial Services & Management research Online* Available at indianresearchjournals.com
- SME Development in Indonesia <http://www.bicg.org/bicg.php?sectionID=16>
- Undang-Undang Dasar Negara Republik Indonesia Nomor 1 tahun 2013, *tentang Lembaga Keuangan Mikro*.
- Undang-Undang No 9 Tahun 1995 tentang usaha kecil.
- Wang, Xitian. 2013. The Impact of Microfinance on the Development of Small and Medium Enterprises: The Case of Taizhou, China. http://econ.jhu.edu/wp-content/uploads/sites/27/2013/07/SeniorThesis_Xitian_WANG.pdf
- What is Credit Unions. 2016. <http://www.woccu.org/about/creditunion>