

CHAPTER V. CONCLUSIONS AND IMPLICATIONS

A. Conclusion

1. PNM Mekaar loans significantly increase traders' income. The Wilcoxon test shows the difference in average income before (2,006,258 IDR per month) and after the loan (2,876,668 IDR per month). This increase is due to additional capital used for business development, such as additional stock of goods and production equipment.
2. The PNM Mekaar program contributes to improving livelihood. As many as 83.9 percent of clients were able to meet a decent standard of living after receiving the loan. They reported improved quality of life, such as the ability to repair their houses, send their children to school, and fulfill their daily needs.

B. Research Implications

1. The findings show that access to capital without collateral and joint liability schemes can improve the sustainability of ultra-micro businesses, making this model worth adapting by other microfinance institutions for economic empowerment programs for underprivileged families.
2. The results indicate the importance of intensive mentoring at every stage of financing; capital providers should include financial literacy modules and regular entrepreneurship training to maximize social impact.

3. Mutual responsibility group schemes serve not only as loan collateral, but also as a social networking mechanism that strengthens group ties and shares good practices, so businesses are encouraged to make active use of these forums.
4. Local governments can use this empirical evidence to design policies to increase access to microfinance that are more inclusive, especially in high poverty areas, by integrating elements of collaboration between Regional Owned Enterprises, cooperatives, and Non-Governmental Organization.

C. Research Limitations

In this study, there are limitations that need to be considered, namely detailed data on credit history, repayment frequency, and customer capital utilization patterns that are difficult to access due to PNM Mekaar's internal confidentiality policy.

Another limitation is that the measurement of livelihood feasibility only uses the individual income of PNM Mekaar trader customers without considering household factors such as the number of family members and dependents. Since the analysis applies the *KHL* standard for single workers (K1), this approach may create bias because it does not fully represent the overall welfare condition of the household.