

## The Impact of Microfinance Intervention on Family Harmony: Gender and Social Perspectives from Probolinggo, Indonesia

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### ABSTRACT

Microfinance has long been regarded as a tool for improving household welfare, yet its effects on intra family dynamics particularly from a gender and social perspective remain underexplored. This study aims to examine the impact of financial interventions by Bank Mekar on family harmony in Sumber Taman, Probolinggo City, focusing on how such interventions reshape gender roles and social expectations within households. A qualitative descriptive approach was employed, using a case study method and in depth interviews with women borrowers to gather nuanced insights into their lived experiences. Thematic analysis revealed that while financial interventions contributed to increased economic stability, they also placed additional emotional and social burdens on women, especially those balancing domestic responsibilities with leadership roles in borrower groups. The study identifies a novel intersection between financial empowerment and emotional labour, highlighting how economic gains can simultaneously reinforce and challenge traditional gender norms. Unlike previous studies that emphasise economic outcomes alone, this research provides a deeper understanding of the socio emotional trade offs involved. The findings suggest that microfinance initiatives must move beyond financial metrics and incorporate gender sensitive and socially inclusive strategies. Such a shift is essential not only to enhance economic well being but also to support sustainable family harmony and gender equity within the broader context of community development.

### INTRODUCTION

Economic progress in the contemporary era is not solely about financial growth but also about social advancement and community well being (Mutawally, 2024). Rapid technological development and digital literacy are integral parts of the present era, driving both economic growth and societal perspectives. Digital literacy is particularly crucial in the modern age as digital

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technology plays a central role in economic development and in addressing contemporary challenges (Wola, 2023). Economic limitations are often the primary barrier for families wishing to start or expand a business. In such difficult economic circumstances, many families struggle to meet daily needs while trying to gather business capital. Low income and high living costs often make saving nearly impossible. These conditions lead many families to seek alternative sources of capital, one of which is financial institutions such as Bank Mekar.

Bank Mekar emerges as a solution for economically disadvantaged families seeking business capital. The bank offers various loan products specifically designed to support small enterprises, with more flexible terms and easier processes compared to conventional banks. Bank Mekar provides opportunities for families who may not have access to traditional banking services. Programmes such as microloans and small business financing have become a mainstay for many families to initiate or scale up their businesses.

In effectively introducing its financial intervention programmes, it is important to consider the role of education and financial empowerment in enhancing individual financial well being. Financial empowerment interventions are commonly used to support survivors of intimate partner violence, aiming to improve financial stability (Johnson, 2020). The success of financial empowerment programmes in promoting long term financial behavioural change and reducing financial stress among low income single mothers has also been demonstrated (White et al., 2022). By drawing on insights from studies on financial education, empowerment interventions, and the impact of incentives, Bank Mekar can develop comprehensive financial intervention programmes that address the specific needs of its target groups, ultimately leading to improved financial well being and sustainable behavioural change.

Since its establishment, Bank Mekar has focused on financial inclusion by providing access to banking services for individuals and families who have long been excluded from the conventional banking system. Bank Mekar recognises that many people, especially those living near or below the poverty line, lack access to basic financial services such as savings, credit, and insurance. Family harmony encompassing communication, trust, and the distribution of roles and responsibilities is strongly influenced by household economic conditions. Family harmony has been linked to reduced anxiety levels and improved family interactions (Wulaningsih & Krisnatuti, 2020). These financial interventions alter how family members interact and cooperate, ultimately affecting their emotional and psychological well being.

One critical aspect of financial interventions is their impact on the distribution of roles and responsibilities within the family, particularly in the context of gender. It highlights disparities in financial knowledge and overconfidence between genders, with implications for economic empowerment and financial decision making (Kim, Lee, & Kim, 2021). Moreover, female entrepreneurs' willingness to seek external financing has been associated with factors such as social capital and trust in social relationships (Xu, Cai, Zhu, &

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Deng, 2020). In many societies, gender roles have traditionally been defined, with men usually serving as the primary breadwinners while women manage the household and care for children. Women who previously had no income source now have opportunities to contribute economically, which can shift power dynamics and responsibilities within the family.

Although these changes may be positive in terms of economic empowerment, they can also present challenges in adjusting roles and relationships among family members. Improved economic well being among beneficiary families can bring about positive effects such as strengthened social networks and increased community participation. As families increase their income and improve their living conditions, they are more likely to engage in social and community activities, which in turn foster social relationships and solidarity among community members. However, such improvements can also generate social challenges, such as jealousy or competition among community members who do not receive similar benefits from financial intervention programmes. Therefore, it is essential to understand that the social impacts of financial interventions are complex and varied.

Financial interventions by Bank Mekar should not only be assessed from an economic perspective but also from the standpoint of how such interventions influence gender relations within families. For instance, in communities where patriarchal values remain strong, increased access to loans for women may face resistance from male family members. Therefore, intervention programmes must be designed in a way that facilitates and promotes mutual understanding among family members so that family harmony and well being can be achieved holistically. Community welfare programmes can support families in overcoming economic challenges and improving their overall well being (Friedline, Chen, & Morrow, 2020).

This study offers a new and unique perspective on understanding how financial interventions carried out by institutions such as Bank Mekar can influence the dynamics of family harmony. The focus of this research goes beyond the economic aspects, delving into the exploration of gender and social dimensions in the specific context of Sumber Taman. Previous studies have primarily concentrated on the direct economic impacts of financial interventions on individuals or communities, such as income increases or improved access to financial services. However, this research goes further by examining indirect effects that are often overlooked, such as changes in gender roles within families, shifts in economic power distribution in households, and broader social implications that may arise in urban community environments.

This study also highlights how these changes can trigger new social dynamics that were previously undetected, including potential shifts in family and community structures. In other words, this research not only aims to fill an existing gap in the literature but also seeks to contribute meaningfully to the broader discourse on the interaction between financial interventions and social structural changes in society, with the hope of opening new and more comprehensive insights for future studies

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## Method

The research method employed in this study is qualitative descriptive, using a case study approach. Qualitative descriptive methodology is a specific approach within qualitative research that focuses on providing direct and rich descriptions of a phenomenon as experienced by the participants. This approach was chosen as it is considered the most appropriate for exploring in depth the phenomenon of the impact of financial interventions on family harmony dynamics, with specific attention to gender and social perspectives in Sumber Taman, Wonoasih Sub district, Probolinggo City. The case study method allows researchers to investigate thoroughly and in detail real life phenomena where local social and cultural factors play a significant role.

Data collection was conducted through in depth interviews using a set of open ended questions that had been prepared in advance. These interviews were carried out with three Bank Mekar clients who participated in the financial intervention programme. The research subjects consisted of one individual serving as the head of a regional group and two other individuals who were members of the client group. The in depth and intensive interview technique was used to allow respondents to provide open and honest responses without feeling burdened or disturbed by the presence of the researcher. To ensure data accuracy and maintain the integrity of the information, the researcher also obtained consent from the respondents to record the interview process.

This approach enabled the researcher to explore relevant issues associated with Bank Mekar's intervention, such as changes in gender roles within households, improved access to economic resources, and shifts in social structure and power relations within the family.

The data obtained from these interviews were analysed using thematic analysis techniques. This method allows researchers to identify and organise the main themes that emerge from the interviews in a systematic manner. Through thematic analysis, data can be grouped into relevant categories, which in turn help researchers gain a more comprehensive understanding of how the financial interventions conducted by Bank Mekar influence the dynamics of family harmony. Data analysis was carried out by categorising and interpreting the respondents' answers, which were then compiled into a comprehensive narrative.

The findings of this research are expected to provide insight into how Bank Mekar's interventions affect family harmony dynamics from a gender perspective, and to offer recommendations for developing programmes that are more inclusive and responsive to social needs.

## **METHODS**

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## **RESULT AND DISCUSSION**

The division of household responsibilities is influenced by gender expectations and the resources available. Husbands are generally regarded as the primary breadwinners, while wives are more likely to manage household duties (Zuo & Bian, 2001). Wives also bear responsibility for maintaining and regulating family harmony. However, this role is not always fixed, particularly during times of financial difficulty. When a family faces economic challenges, wives often participate in finding solutions by working to help stabilise the household's financial condition.

Initiatives designed to empower women in managing household finances such as through Micro, Small, and Medium Enterprises (MSMEs) have successfully fostered a more balanced role between men and women. These

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programmes provide women with opportunities to actively engage in the economic affairs of both their families and communities, allowing them greater influence in financial decision making. This not only improves the family's economic well being but also strengthens the position of women within society (Dinda, 2023).

In the dynamics of family economics, the roles of wives and husbands continue to evolve. Women are now increasingly involved in maintaining financial stability and actively participating in decision making processes. This clearly reflects the growing importance of women's roles in the household economic domain.

Poverty can have a significant impact on families and often compels women to seek employment that contributes to household income. The widening economic disparity between urban and rural areas exacerbates the challenges faced by families living in poverty (Zhang, 2024). Poverty imposes a heavy economic burden on families, heightening their vulnerability and affecting many aspects of life. It also has a considerable influence on government policy, particularly in matters related to women. The government plays a crucial role in addressing poverty and its impact on disadvantaged groups, including women. Such policies are intended to provide protection and support for those affected by difficult economic circumstances.

The phenomenon of the feminisation of poverty and the challenges it brings for women highlight the need for targeted interventions and policies that address the link between poverty and gender inequality. These measures are necessary to alleviate the burden on families and to support women's economic empowerment. Women often face underestimation and various challenges in securing employment, caused by multiple factors rooted in gender inequality in the workplace. Social stigma, limited job opportunities beyond traditional roles, low educational attainment, and gender discrimination in higher paying jobs are among the key reasons for women's underrepresentation in well paid employment.

Despite these difficulties, women do not give up in their efforts to improve their family's financial condition. They continue striving while managing dual roles at home. For this reason, many women prefer to take out loans to start businesses rather than seeking formal employment.

Women play a vital role as wives and mothers in managing household finances and actively participating in financial decision making. Financial institutions contribute to the economy by offering customised financial products tailored to the diverse needs of borrowers. Bank Mekar has become a primary option for borrowing money due to its accessibility for communities not reached by conventional banks and the flexibility of its repayment schemes.

An example is the first respondent, NH, a housewife born in 1991 with two daughters. NH joined Bank Mekar as a client in 2019. In 2020, she was appointed as the regional group leader for Bank Mekar, replacing the previous leader who was considered negligent in their duties. NH's appointment reflects the trust

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placed in her by Bank Mekar, demonstrating her integrity and sense of responsibility.

As a microfinance institution, Bank Mekar requires certain conditions to be met by prospective clients. NH explained that applicants are required to submit documents such as a Family Card (KK), Identity Card (KTP), and obtain consent from their husband or, in the case of unmarried women, from a close family member. Additionally, prospective clients must attend a three day "school" programme organised by Bank Mekar. This programme covers civic values such as Pancasila, a pledge to repay loans on time, and an explanation of the joint liability mechanism in which all group members share responsibility if one member fails to make timely repayments.

In the interview, NH explained that her husband had been running a tempeh business since 2008 and that the loan from Bank Mekar was used to expand the business. The tempeh business in Sumber Taman, where NH lives, has become an integral part of local community life. Most of the residents in the area, including NH's husband, rely on the production and sale of tempeh as their primary source of income.

NH herself has taken multiple loans from Bank Mekar in varying amounts. In 2019, she began with a loan of **Rp 2,000,000** with **Rp 50,000** instalments. The following year, in 2020, she took a loan of **Rp 3,000,000** with **Rp 75,000** instalments, followed by **Rp 4,000,000** in 2021 (**Rp 100,000** instalments), and **Rp 5,000,000** in 2022 (**Rp 125,000** instalments). In 2023, she took a fifth loan of **Rp 6,000,000** with **Rp 150,000** instalments. Repayments are made every Tuesday, in accordance with the group leader's schedule. All of NH's loans were paid back with discipline and punctuality, further strengthening her reputation as a responsible client. She even committed to setting aside part of her grocery money to cover any shortfall in the instalments, if necessary.

NH explained that the loans had a positive impact on her family's financial stability and contributed to the development of her husband's tempeh business. However, she also encountered challenges in her role as group leader. As the leader, NH is responsible for collecting repayments from group members and often has to deal with clients who are late with payments. This sometimes causes tension at home, especially as her husband worries about the burden NH bears in managing the group.

Bank Mekar's financial intervention not only affects the family's economy but also the dynamics of family harmony for NH. As a woman who serves both as a housewife and group leader, NH faces a double burden. She must manage the household, support her husband's business, and fulfil her role as leader of the local client group. This dual role places additional pressure on NH, which occasionally leads to conflict with her husband, particularly when group members fail to meet their repayment obligations.

Furthermore, NH shared that social stigma surrounding debt is often a source of stress. Many people in her community believe that taking out loans carries a high risk of default, which adds further emotional pressure on NH in her role as group leader. Despite this, NH strives to fulfil her responsibilities well,

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although she expressed her desire to no longer serve as group leader in the future due to the overwhelming burden of responsibility.

This interview indicates that Bank Mekar's financial intervention has a complex impact on NH's family dynamics. On the one hand, the loan helps NH and her husband improve financial stability and expand their tempeh business. On the other hand, the heavy responsibility of leadership and the social pressure associated with debt also affect NH's emotional well being and her relationship with her husband. A gender perspective is relevant in this context, as NH must balance her roles as a mother, wife, and leader of the borrower group

The second respondent, TI, a 41 year old woman with three sons and one daughter, described her experience of taking out a loan from the bank in early 2017. TI explained that at the time, her decision to apply for a loan was motivated by her family's economic circumstances. Her husband, who had been running a tempeh business since 2005, needed additional capital to expand the business. With that consideration in mind, TI eventually decided to take her first loan of **Rp 2,000,000**, with a weekly instalment of **Rp 50,000**, to be repaid over 50 instalments.

TI stated that although taking the loan initially brought some pressure, the repayment process went smoothly. However, after repaying the loan, she decided to stop borrowing, as she felt she no longer wanted to be bound by a long term repayment scheme which she found burdensome. Nevertheless, between 2021 and 2023, TI decided to take another loan of **Rp 3,000,000** with weekly instalments of **Rp 75,000**. This decision was influenced by an invitation from a friend who was also applying for a loan and forming a group to meet the bank's requirements. TI joined the group, which consisted of two sub groups, each with six borrower members.

In the interview, TI and her husband expressed deep gratitude for the financial stability they gained through the loan. According to them, when used wisely particularly for productive investments such as children's education the loan had a significant positive impact on their lives. With the additional capital, her husband's tempeh business was able to grow, which ultimately contributed to an increase in the family's income. This financial stability not only provided a sense of economic security but also supported the creation of a more secure future for their children.

TI demonstrated a strong sense of shared commitment between herself and her husband in managing loan repayments. They jointly planned the family budget and ensured that instalments were paid on time. Couples with significant debt may find themselves in financially vulnerable situations, which can strain their relationships and affect the level of commitment (Kuperberg & Mazelis, 2021). This shared commitment not only increased their confidence in managing finances but also strengthened emotional bonds and cooperation within the marriage.

TI felt that her husband's full support made the repayment burden much lighter. He always accompanied and assisted her in financial decision making, including planning how the loan funds would be used productively. This

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commitment turned the loan into a tool that supported family harmony rather than causing undue stress.

TI also mentioned that although bank loans were already common in her neighbourhood, the community did not react negatively. This is because many residents had also taken out loans to meet their business capital needs or other necessities. This reflects that loans had become a common and accepted mechanism in their community to support family economic growth. TI added that participation in borrower groups also fostered a sense of solidarity and social support, as they could share experiences and tips on managing finances and loans.

TI's experience with borrowing from Bank Mekar shows that loans, when managed wisely, can be an effective tool for improving a family's economic well being. Although initially perceived as a burden, with shared commitment between TI and her husband and good financial planning, they were able to use the loan for productive and beneficial purposes. The loan not only helped grow their family business but also supported long term investments in their children's education.

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The final respondent, SA, is a housewife with three children two daughters and one son. SA was born in 1980. She explained that her initial decision to borrow from Bank Mekar was driven by the need for capital for her husband's tempeh business, which had been operating since 2005 and was facing production difficulties at the time. SA had briefly sold tempeh independently using raw materials sourced differently from her husband's, but the business was short lived.

SA took out her first loan in 2020, amounting to **Rp 3,000,000** with a weekly instalment of **Rp 75,000**. Her second loan, in 2021, was **Rp 3,500,000** with **Rp 87,500** weekly instalments. The third, in 2022, was **Rp 4,000,000** with **Rp 112,500** instalments, and the fourth loan in 2023 was **Rp 5,000,000**, with weekly instalments of **Rp 125,000**.

SA stated that the repayments were entirely handled by her husband, while her role was to support and assist in daily activities. She also mentioned that each loan was subject to a deduction proportional to the loan amount, which served as a form of collateral in case a borrower failed to make repayments on time.

After repaying the first loan, SA did not plan to borrow again. However, her husband decided to continue borrowing as Bank Mekar officers frequently visited their home to offer new loans. Feeling sympathy for the bank officers who often came, her husband agreed to take out another loan. The bank encouraged continued borrowing because SA and her husband were considered trustworthy in meeting their repayment obligations.

SA also explained that she and her husband had some disagreements because she felt there was no need to borrow again, especially as the first loan had been sufficient to stabilise the tempeh business. After discussing and reaching an agreement, they eventually decided to take another loan. The funds were then

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used to pay for their children's education, daily necessities, firewood for tempeh production, and to repair the motorcycle used by her husband.

Although these loans brought economic benefits to SA's family, she admitted to sometimes feeling embarrassed due to negative public perceptions of borrowers. In some social contexts, borrowers are often viewed as living a hedonistic or wasteful lifestyle. SA felt that this stigma did not reflect her reality, as the loans taken out by her and her husband were used for essential needs such as education, business production, and repairing work equipment. Although SA and her husband experienced some tensions in decision making, they managed the loans well and used them to improve the family's overall well being.

This financial pressure can contribute to increased tension within the family as they struggle to meet educational and household obligations. Financial stress in families can significantly contribute to rising tensions and conflicts among family members. The relationship between economic hardship and family dynamics is complex and can lead to both positive and negative outcomes, depending on the family's coping mechanisms and resilience (Kwon, Rueter, Lee, Koh, & Ok, 2003).

Based on the interviews, several factors were identified as motivating the respondents to take loans from Bank Mekar. These include:

- 1. Business Capital Needs**

All three respondents NH, TI, and SA stated that the need for capital to develop their family businesses, particularly their husbands' tempeh businesses, was the main reason for borrowing. The loans were used to expand production capacity and increase household income. For example, NH used the loan to strengthen her tempeh business that had been running since 2008, while SA and TI used their loans for similar purposes. This shows that small home based enterprises are heavily reliant on access to capital from microfinance institutions like Bank Mekar.

- 2. Social Influence and Borrower Groups**

Social influence from friends and the surrounding environment played a major role in borrowing decisions. TI, for instance, took another loan after being invited by her friend to form a borrower group. Bank Mekar employs a joint liability system, where every member is responsible for ensuring other members' repayments. As the group leader, NH felt a heightened sense of responsibility to ensure that repayments ran smoothly, creating a social dynamic that added pressure on her.

Third, Household Needs and Children's Education. In addition to supporting business ventures, loans were also used to meet family needs, particularly for children's education. NH and SA, for example, utilised loan funds to pay for their children's educational expenses. This reflects that urgent family needs especially education are one of the main factors motivating continued borrowing, as education is seen as a long term investment in the family's welfare.

Fourth, Pressure from Financial Institutions. Some respondents, such as SA, felt pressure from Bank Mekar officers to continue borrowing even when they no

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longer needed additional capital. SA shared that her husband agreed to take another loan because he felt uncomfortable turning down the officers who frequently visited their home. This indicates that external pressure from financial institutions can influence clients' decisions to continue borrowing.

Fifth, Sense of Trustworthiness and Responsibility. NH felt a sense of responsibility as both the group leader and a trusted client of Bank Mekar. She ensured that both she and her group members paid their instalments on time. This strong sense of trustworthiness led NH to continue taking and repaying loans with discipline, reflecting the importance of reputation and trust within microfinance systems.

Sixth, Husband's Support in Financial Decision Making. Spousal approval and support played an important role in loan decisions. NH and TI received full support from their husbands to take loans in order to develop their family businesses. However, SA initially disagreed with her husband about continuing the loan, though they eventually reached a consensus after discussion. This highlights the importance of communication and emotional support within families facing economic challenges, as families that maintain open lines of communication are better equipped to manage financial pressures (Asadi, 2024). It illustrates that, within the household context, communication between husband and wife is essential in making financial decisions.

Seventh, Challenges of Dual Roles and Family Burdens. The dual role faced by NH as both a housewife and a group leader added stress within her household. Tensions arose particularly when group members failed to make timely repayments, which affected NH's family harmony. This indicates that women's dual roles in both family and society can influence emotional well being and family dynamics.

Eighth, Social Stigma Associated with Debt. Social stigma is a complex phenomenon that can significantly affect individuals and communities, especially in the context of financial matters. Social stigma refers to negative attitudes and beliefs held by society towards certain groups or behaviours, which may lead to discrimination and social exclusion (Hirsch et al., 2019). NH and SA shared that there is a social stigma attached to borrowers, with society often viewing those in debt negatively. This stigma adds emotional burden for borrowers, even when they have used the loan productively and have succeeded in improving their financial stability. Such negative perceptions often lead borrowers to feel ashamed or anxious, despite the tangible benefits they derive from borrowing.

Ninth, The Joint Liability System: Creating Solidarity but Also Pressure. The joint liability system implemented by Bank Mekar requires all group members to be responsible for each other's loan repayments. This system fosters solidarity among members but also adds pressure, especially on group leaders like NH, who must ensure that payments are made smoothly. While this system is effective in maintaining repayment discipline, it also imposes psychological and social burdens on group members.

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In conclusion, this study shows that the decision to take loans from Bank Mekar is influenced not only by economic factors, but also by social, gender, and external pressures. Microloans from Bank Mekar contribute to improving families' financial stability, but they also bring challenges related to social roles, the burden of responsibility, and the stigma associated with debt all of which impact the borrowers' daily lives.

The interaction between loans and financial stability is also evident in the context of household debt behaviour, where a high level of debt may limit disposable income and reduce the capacity to save, ultimately affecting a family's resilience to economic fluctuations. Based on the interviews and theories examined regarding the interaction between loans and financial stability, and their effects on household borrowing behaviour, there is a clear relationship between the two. High levels of borrowing, as experienced by the respondents in this study, can influence a family's ability to manage disposable income and save, thereby impacting their economic resilience

In the interviews conducted, several respondents revealed that they took out loans from Bank Mekar to develop their family businesses. For instance, NH used a loan from Bank Mekar to expand her family's tempeh production enterprise. While this loan helped improve short term financial stability, the ongoing burden of repayments posed additional challenges, particularly when combined with gendered roles. For example, NH experienced added pressure as a group leader, which affected her relationship with her husband due to the dual responsibilities she bore. Household borrowing behaviour indicates that loans may limit saving capacity and reduce long term financial stability. The implications of borrowing behaviour are not confined to individual households, but extend to broader economic contexts (James & Agunsoye, 2022). This is evident in NH's experience, as she continued borrowing from Bank Mekar to meet financial needs while facing increasing responsibility.

This situation also applied to other respondents, such as TI and SA, who experienced improved economic stability through Bank Mekar loans, but simultaneously faced social and emotional pressures due to the stigma surrounding debt and the uncertainty of their financial future.

In the context of borrower lender interactions, gender plays a significant role, particularly in how loans are distributed and received. Research has shown that gender alignment between loan officers and borrowers may influence lending outcomes. Several studies have found that female loan officers are more likely to lend to female borrowers, which may result in lower default rates in microfinance contexts (Blanco-Oliver, Alvarado, & Veronesi, 2021). Loans issued by female officers to female clients tend to have lower default rates. This may be due to shared experiences, easier communication, and deeper mutual understanding of women's social and economic conditions. Gender affinity between officers and borrowers creates a more inclusive and supportive environment, particularly for female clients.

In microfinance settings where women often face disadvantages in accessing economic resources the presence of female loan officers can help reduce

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the social and psychological barriers women frequently face when dealing with financial institutions. This inclusive environment not only encourages women to feel more confident in accessing loans, but may also enhance their family's financial stability. Improved financial stability, in turn, contributes to household harmony and has positive long term social and economic outcomes.

For example, in an interview with NH, a group leader and Bank Mekar client, it was revealed that she experienced a dual burden as a housewife and group leader. NH's experience illustrates that gender roles influence not only the relationship between loan officers and borrowers but also how borrowers manage their responsibilities within their families and communities. NH, entrusted with leadership due to her reputation for reliability, must balance her domestic role with her public role, a situation that places additional strain on her household dynamics.

The social context highlights that improved interaction between communities and financial institutions such as Bank Mekar can reshape public perception of these institutions' roles in community development. Financial literacy can help families make better decisions and avoid future financial issues (Rianto, Putri, & Aseandi, 2022). Public perception becomes more favourable when communities experience tangible benefits from financial services, such as increased household welfare through microloans.

However, when borrowers face difficulties in repayment, the opposite may occur negative perceptions may arise, especially in connection with the social stigma of default. This stigma can lead to social exclusion, affecting an individual's social standing within their community.

In research on the impact of Bank Mekar's financial interventions on family harmony in Sumber Taman, it was found that loan recipients experienced economic benefits from the loans they obtained. For instance, NH successfully used her loan to strengthen her family's tempeh business. However, NH also faced social challenges, particularly in her role as group leader. The joint liability system implemented by Bank Mekar, which holds every member accountable for others' repayments, added social burdens to NH's experience. When one member defaulted, this responsibility created tension within her household.

Social stigma toward borrowers was also evident in the experience of another respondent, SA. She reported that, although her loan was used productively for her children's education and business development she still felt ashamed because some in the community viewed loans as a sign of financial mismanagement or extravagance. These societal views imposed additional psychological burdens, which disrupted individual emotional well being, despite the economic benefits of the loan. The research indicates that public perceptions of borrowers are strongly influenced by their repayment success. Respondents who made timely repayments, such as NH, were generally held in higher regard within their communities, whereas those facing repayment difficulties were often viewed negatively. This shows that beyond economic factors, social aspects such as stigma and public perception significantly shape borrowers' experiences with financial institutions.

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Overall, this study highlights the importance of understanding the social consequences of financial intervention programmes, particularly regarding the negative perceptions that may arise when borrowers struggle with repayments. Financial interventions aimed at improving household welfare such as those implemented by Bank Mekar must take into account strategies that address not only economic outcomes, but also aim to reduce social stigma and support borrowers in coping with the societal pressures associated with financial responsibilities.

The financial impact of Bank Mekar on the family harmony of each respondent NH, TI, and SA reveals variations that reflect their unique experiences with financial intervention and household economic transformation. One key factor in creating family harmony is effective communication. The strain on family harmony can often be influenced by the quality of interpersonal communication between spouses (Fitriza, 2022). Each family experienced dynamics shaped by economic, social, and gender related aspects within the household.

Bank Mekar's financial intervention provided not only economic benefits, but also introduced various social dynamics within the family. In households considered harmonious such as NH's the effects of Bank Mekar's intervention were more positive. NH and her family experienced increased financial stability through the expansion of their tempeh business. The loan was used to grow the enterprise, which led to a rise in household income. This financial stability also contributed to increased harmony in NH's household, where her husband was supportive and actively involved in financial decisions. Research shows that economic stability characterised by controlled inflation and sustainable growth can improve family quality of life and strengthen relationships between family members (Ramadhani, 2024). The husband's involvement in managing the loan and cooperating with his wife in making repayments played a critical role in maintaining family harmony. In this case, the husband's support was a determining factor that helped NH face both financial and social challenges, such as the stigma surrounding debt.

Nonetheless, despite experiencing economic benefits, NH also faced social and psychological pressures due to her role as group leader in her community. The joint liability system imposed by Bank Mekar added to her responsibilities, as she had to ensure group members made timely repayments. This often caused conflict within her household, especially when group members defaulted. This illustrates how NH's dual role as housewife and group leader impacted her emotional well being and household harmony.

TI's family showed a more stable harmony despite facing early challenges in loan repayments. TI, who also used Bank Mekar loans to expand her husband's tempeh business, experienced positive outcomes from the financial stability that followed. The cooperation between TI and her husband in planning loan use and managing repayments fostered greater trust in their relationship. Research shows that good communication, mutual respect, and effective conflict resolution are key components of family harmony, and financial problems are often major

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sources of tension in relationships (Fauziah et al., 2021). Shared understanding in financial decision making played a vital role in strengthening harmony within TI's family. Unlike NH, TI did not experience significant social pressure surrounding her loan, as borrowing was considered normal within her community.

SA's family experienced more complex dynamics regarding household harmony. While Bank Mekar loans helped improve the family's economic condition particularly in meeting daily needs and funding their children's education SA often encountered conflict with her husband over the decision to continue borrowing. Her husband felt pressured by the repeated visits from Bank Mekar staff offering new loans, while SA believed that they no longer needed additional loans. This conflict reflected a difference in financial management perspectives that ultimately affected their household harmony. The social stigma attached to borrowing also became an emotional burden for SA, who felt ashamed due to negative societal views towards those who borrow.

In summary, the impact of Bank Mekar's financial intervention on family harmony varied depending on each family's social, gender, and economic context. NH and SA's families faced greater challenges in maintaining harmony due to their social roles and the stigma associated with debt, while TI's family was able to preserve harmony through shared commitment to financial management. This demonstrates that beyond economic benefits, financial intervention also affects the social and emotional aspects of family life. These aspects must be considered when designing intervention programmes that are more inclusive and responsive to the needs of families.

Based on the discussion presented, this study affirms that financial intervention by Bank Mekar has had a significant impact on the dynamics of family harmony in Sumber Taman, Probolinggo City. From a gender and social perspective, this intervention reflects a transformation of roles within the household, particularly regarding women's economic contributions. Through access to microloans, many women in the household have been able to play more active roles in financial decision making and in contributing to family welfare.

However, challenges have also arisen particularly in the form of social stigma related to borrowing and the psychological burden of women's dual roles as both homemakers and business managers. To achieve greater family harmony, it is important for financial institutions like Bank Mekar to design intervention programmes that are more inclusive and responsive to the social and emotional needs of families. This includes a deeper understanding of gender roles and community support systems, as well as efforts to reduce the stigma attached to borrowing activities. With strong cooperation between spouses in managing household finances, and solid community support, beneficiary families are more likely to achieve both economic and emotional balance ultimately contributing to enhanced household harmony overall.

## **CONCLUSIONS**

The influence of Bank Mekar on the dynamics of family harmony in Sumber Taman can be viewed from gender and social perspectives, indicating that loans play a crucial role in economic stability and family cohesion. Bank Mekar has had a diverse impact on the dynamics of family harmony in Sumber Taman, Probolinggo City. Loans from Bank Mekar have enabled families to develop businesses that directly increase household income and financial stability. This economic improvement has had a positive effect on the quality of communication and cooperation within the household, which are key factors in achieving family harmony.

From a gender perspective, women's roles within the family have undergone significant transformation. They no longer function solely as housewives but also take on roles as family financial managers and even as group leaders within borrower communities. Women's success in managing loans has not only improved their families' economic well-being but has also influenced power relations within the household. Nevertheless, challenges remain – particularly with respect to the dual roles women face as both homemakers and borrowers responsible for group loan repayments. These overlapping responsibilities can increase emotional strain and affect family harmony.

In several cases, such as those experienced by respondents NH and SA, household conflicts arose due to the additional burdens they bore – whether in ensuring timely repayments or facing the social stigma attached to borrowing. Support from husbands in financial decision-making plays a critical role in maintaining family harmony. When spouses collaborate in managing loans, as demonstrated in the case of respondent TI, the family tends to experience greater stability. Conversely, disagreements over borrowing decisions, such as in SA's experience, may lead to conflict and strain family relationships.

Socially, the loans provided by Bank Mekar have contributed to building solidarity among borrower group members. However, this has also created social pressure for those who fail to meet repayment obligations. Although the economic benefits of borrowing are acknowledged, the social stigma surrounding debt remains an emotional burden for some respondents. Financial interventions affecting family relationships must also be addressed through policies that promote better communication and provide support services. Overall, policies informed by this research should aim not only to improve economic stability but also to strengthen family harmony and promote gender equality within the household

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