

CHAPTER FIVE

CONCLUSSIONS AND RECOMMENDATIONS

5.1 Conclusion

Based on the problem, objective and the findings and analysis of this study, it is then concluded that:

5.1.1 The Existing Education and Microfinance Combined Approach

The existing education and microfinance approach helps to describe the prevailing condition, provides appropriate measures in funds delivery to the poor, directs on necessary ways to instill the required skills and knowledge for business operation, character building and helps to explore the clients' potential to self-reliant. For instance, for MiSykat empowerment in through: Mentorship conducted through weekly assemblies which promote the culture of saving among clients, provide rotating funds, develop marketing networks among clients, offers continuous training to the clients, education activities about organizational management, and managing household incomes based on the Islamic principles. In BMT Khalifa, the education empowerment activities are a community request. The clients request to learn about different skills. This is implemented in phases until clients are empowered based on their own condition.

To help empower the poor, it is important to know their condition, the possible ways to help them, the possible measures, the appropriate implementation process, and the goals they wish to achieve (and not the goals the outsider or change agent wishes to achieve). With the statement "the goals they wish to achieve", it means the power of the people. For any community based empowerment approach, people participation is a fundamental aspect. This is revealed in the theme "People Empowerment" as one of the most promising ways to help people participate in their own development or change. Which is one way how the education and microfinance approach operates, Education and microfinance is seen as an approach meant for the poor and disadvantaged groups whose main function is to see them rise from the hidden. They are rising from the hidden because they are stimulated to put their long hidden potentials to service for self improvement.

5.1.2 How Education and Microfinance works

To help empower the poor, there is a system before funds are let out to the members (clients of the two organizations). This is has been called a Framework.

Through this framework there is mapping of the target area, selection of the clients, socialization and programme implementation until a level of self-reliance is achieved. There is hope that with this grass-root community empowerment programme, there is change in status of the clients. Empowerment is the only workable catch word used. The two organizations look at it from the point of “access”, which includes access to education, access to credit services, access to information, and the capacity to put to use the available services. The assumption being if the clients are provided with these mentioned services they are indirectly empowered, and they can indirectly develop strong networks which allow them perform with efficiency like any other able human being.

5.1.3 Enhancement of Skills of the Poor

The education with microfinance contributes to the development of the the necessary skills to the target group something key to the empowerment of the poor people. Education is a fundamental aspect for community economic development. If the poor are given the required skills, they will be able to run self-sustaining businesses and are to change their condition. This means that education is important for the microfinance clients. Why education or skills enhancement, because sustainability of a community programme depends on the readiness of the people to participate. Positive or negative contribution of the community can affect the prosperity of any programme whether government or community programme, this means that power of people is a very important aspect in all credit services.

This means for a productive economy it should be for the people and of the people. Therefore, they should be taught how to operate in such an economy but with all there needs met. In a productive economy each individual has life challenges to face which can be handled through a holistic problem solving approach which has also been mentioned as one of the themes developed through the study of documents. The process of coming up with a productive economy is tiresome but also possible. If a given community is community ready to work together, ready to share ideas and ready to help one another and above all ready to learn, the dreams of that community will be met, compared to that which is reach and well educated but no cooperation.

5.1.4 Themes that Emerged

The different researchers carrying out the same research may have revealed that different themes but in this research, it has been concluded with several themes but there are two which clearly describe the education and microfinance approach in empowerment that is: the people empowerment theme and the theme of push me to do the impossible. The people empowerment theme is about how to help people participate in their own development or change. The theme describes education and microfinance as an approach meant for the poor and disadvantaged groups whose main function is to see them rise from the hidden. They are rising from the hidden because they are stimulated to put their long hidden potentials to service for self improvement. This theme is based on the assumption that we are ourselves better than any other person but we may be limited in capacity to solve the life challenges, while the push me to do the impossible considers every body to be able. MiSykat uses a mentorship system, which is semi-structured, intensive and comprehensive to help its member get out of the cage. Efforts are made to help the very poor to become self-empowered through mentorship process for prosperity and grass-root development. This is through programmes like: small business enterprises encouragement programme, alms for the poor and the very poor, encouraging clients to live in one place than changing places of stay programme, while BMT Khalifa is of the assumption that to develop poor communities they should not only be given social assistance funds but they should be encouraged to work. They should be motivated to reveal their real potential which is abundant.

5.2 Recommendations

Based on the findings, theory used in the research that of human capital and human economy as the basis for the study, the researcher wishes to recommend as below:

5.2.1 Recommendation to Education and Microfinance Practitioners

The findings of this study revealed that the concept of education and microfinance can help in alleviating poverty among the poor. The researcher therefore, recommends that the education and microfinance combined approach

be implemented at a broader perspective in the handling of the challenges of poverty, manpower and the economic imbalances within our communities.

The researcher further suggest that to be more embracing, the focus on financial services (credit, savings, and insurance) together with education should ensure that learning activities are developed around the life needs of a given target group. This means that the practitioners (both educators and financial controllers) should be equipped with the necessary skills and knowledge to implement the approach. Since the current study has revealed that the people involved in running this approach are still on trial and error. Therefore, as we proclaim in the model that education is important in combination with credit, developing an all around human being should the responsibility of the practitioners and the responsible parts.

5.2.2 Recommendation to Researchers

The researcher of the present study wishes to recommend employing more sophisticated analytical techniques in researching education and microfinance will help the field establish the most appropriate and more effective design for poverty alleviation in this rapidly changing world. In addition, both further qualitative and quantitative research designs including experimental research, correlation studies, and naturalistic descriptions are needed to investigate different research questions and hypotheses related to this new but promising area.

Because each method or approach of study will generate totally different or slightly different reflection on education and microfinance approach, fuller understanding of how this approach works may be achieved by using multiple researches that intend to understand education and microfinance as a new integrated area or even field of study. The relationships between education and microfinance as well as other related variables such as gender, educational background, cultural context, need to be conceptualized and investigated as linear in the future well designed studies. In addition, when education in microfinance is employed as a predictor or predicted variable of some criterion variable in a regression equation, there is need to look at multiplicative functions, introducing

both linear and quadratic functions of Knowledge development for microfinance clients as they impact on criterion human skills empowerment.

Further, longitudinal research aiming at developing an understanding of how education and microfinance integrated approach empower microfinance clients is strongly recommended. A real experiment in which microfinance clients receive instruction that promotes skills, creativity and innovation throughout their periods as microfinance clients remains desired by future researcher. It is necessary to select variables strategically to thoroughly cover the education and microfinance as a new area of study.

Microfinance and Education approach new domain, this is because studies sufficed with a few components and a small sample designs, and, consequently, are flawed because of inadequate sampling of both variables and number of subjects.

As noted earlier, research into education and microfinance has included only two cases of study so it can claim generation. In-specific the present study focused on microfinance clients of two local microfinance organizations in Bandung city. However, the researcher did not look at those clients who had left the organisation it many other factors were left constant which require more investigations. Education and microfinance approaches as it relates to other variables of poverty elevation, skills development, innovation and creativity, have been qualitatively investigated in the present study, so that the direction in the association is undefined.

Finally, future studies could also collect financial measurements to explore microcredit client's abilities. There are several methods of obtaining information about Microfinance and Educational approach skills, knowledge and commitment among microfinance clients. Using different measurement techniques and instruments, researchers will attain more reliable information and they can make more predictions about the nature of Microfinance and Educational approaches and Microfinance client's capacities to use Microfinance and Educational approaches

5.3 Findings of the Study

In this study, three issues have been revealed. These issues have been considered as the major findings of the research, they are:

5.3.1 The Nature of Baitul Maal Wa Tamwil (BMT)

Baitul Maal Wa Tamwil is a social institution concept which focuses on the economic development of the individual in effort to build a strong community economy based on religious principles. The concept is rooted in the teachings of Islam where by the Quran in Surat Al-A'raf Verse (10) talks of empowering man on earth. The verse does not discriminate on who is empowered, it is about human kind '...We have given you power in the earth, and appointed for you therein livelihoods. Little give ye thanks'. This means that all people have equal opportunities to develop in all aspects including the economic aspect. Thus BMTs hold the assumption that through equal opportunity and access combined with mentorship the poor are able to attain a high level of self-reliance.

5.3.2 The Characteristics of the Clients

The character of self confidence, mutual cooperation, sympathy for one another, respect, consistence and honesty are key to poverty alleviation and empowerment of the poor. With a well established mapping and socialization programme, awareness creation, character building and continuous mentorship system, poverty can be easily overcome. The key is self concept, if the clients are in position to make their own decision; they feel empowered and are able to drive their own course based on the in-built self-regulation concept.

5.3.3 Education and Microfinance Approach

Education and microfinance is an appropriate approach for community empowerment since it offers necessary skills to the target groups while at the same time providing capital. The adults are given required life skills to help them manage their businesses well. They are not only offered skills, but interest free funds. Trainings on expenditure, savings and planning for the daily activities the clients to achieve planned activity goals, and can lead to financial literacy. Each Individual's learning needs are catered for, to help the clients afford to run sustainable businesses and above all to pay the loan taken. With education many

have succeeded and have been able to pay their loans on time. Even those who could not be trusted have now become responsible. The approach has proved that even the poor are able to change their condition from disadvantaged groups to the empowered people. This means that whoever, intends to provide such services the poor should be patient until the clients have attained the designed objectives.

Besides, the education and microfinance approach increases the poor's income and also helps to empower the poor. With accessibility and inclusive financial services combined with education, the poor feel empowered and are ready to move beyond and the previously unexpected heights. They feel empowered and are able to cope with any change taking place. Education and microfinance is a workable approach for empowering the poor, since it entails access to skills and access to credit services for the poor. The findings strongly concludes that if the poor clients are provided with education and credit they can develop inner motivation, and external networks, which can in turn contribute to economic empowerment and skills development.