FEASIBILITY STUDY REPORT

On Inclusive and Sustainable Funding Schemes for Women and People with Disabilities

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Executive Summary

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Micro and small enterprises (MSEs) in Palu City play a vital role in supporting the local economy, including those managed by women and persons with disabilities (PWD). However, despite the considerable potential of formal financing estimated at IDR 419 billion annually from bank microcredit (KUR), government grants, corporate social responsibility (CSR) funds, and NGO assistance only about 30% of business actors are able to access these funding sources.

The main barriers lie in limited assets and legal documents for collateral, low financial literacy, the digital divide, as well as socio-cultural factors such as stigma and the double burden that restrict women's mobility. For persons with disabilities, access is further hindered by financial service infrastructure that is not disability-friendly and the high cost of transportation. This situation highlights a gap between the need for small, flexible, and easily accessible business capital and the supply of formal financial institutions that tend to be rigid and demand heavy requirements.

This study integrates the framework of microeconomics (supply–demand), financial inclusion, and GEDSI (Gender, Disability, and Social Inclusion) to provide a comprehensive picture of the challenges and opportunities of inclusive financing schemes. The analysis underscores the need for more responsive and sustainable interventions, including the development of collateral-free microloans with low interest, hybrid models combining seed grants and revolving credit, as well as digital financial services such as the SANGU PALU application.

In addition, financial literacy training, business management, and digital marketing must be strengthened through continuous mentoring of at least 6–12 months to ensure that the use of funds is productive rather than consumptive. Inclusive financing schemes must also integrate GEDSI perspectives by designing disability-friendly services, training schedules that are adaptive to women's domestic burdens, and involving local government agencies (OPD) and women's groups in planning and monitoring.

Through collaborative support from government, banking institutions, cooperatives, NGOs, local communities, and academia, an inclusive financing ecosystem in Palu City can be realized to improve financial access, strengthen business capacity, and ensure a fair and socially just local economy.



Chapter I
Introduction

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A. Background

In recent years, Indonesia's economic development agenda has increasingly emphasized inclusivity and sustainability as its core foundation. The perspective of sustainable development positions communities, especially vulnerable groups not merely as beneficiaries, but as key actors with the capacity to build economic independence through enterprise development. Thus, the success of development is measured not only by achievements in macroeconomic growth, but also by the extent to which equitable welfare and social justice are realized, and how marginalized groups are provided space to participate.

At the national level, the commitment to financial inclusion has been articulated through the National Strategy for Financial Inclusion (SNKI). This strategy is directed at expanding the reach of formal financial services, particularly for groups that have long been marginalized, such as women, persons with disabilities, and micro-entrepreneurs. This agenda aligns with the achievement of the Sustainable Development Goals (SDGs), especially Goal 5 on gender equality and Goal 10 on reducing inequality.

At the local level, the Palu City Government over the past five years has implemented various initiatives to promote the growth of micro, small, and medium enterprises (MSMEs). Measures taken include providing access to capital, conducting entrepreneurship training, and utilizing digital technology in the delivery of financial services. However, despite these programs, several challenges remain, particularly in ensuring sustainability, affordability, and the full participation of all segments of society. Women and persons with disabilities, for instance, continue to face structural barriers that limit their ability to access capital and support programs.

This situation underscores the need to develop financing schemes that not only provide and channel business capital but also create an ecosystem that is inclusive, equitable, and sustainable. With such an approach, financing can serve as an instrument of socio-economic empowerment that strengthens the independence of vulnerable groups while simultaneously advancing the realization of more just local economic development.



B. Problem Statement

Problems Encountered:

Although both the central and local governments have designated financial inclusion as a development priority, in practice women and persons with disabilities in Palu City continue to face limitations in accessing financing. Various structural barriers such as the lack of assets and legal documents, low financial literacy, the digital divide, as well as socio-cultural burdens often prevent the financing needs of these vulnerable groups from being met by formal financial institutions.

This situation raises several fundamental questions: What is the current condition of financial access for women and persons with disabilities in Palu City? What barriers hinder them from obtaining financial support? What types of financing are most suitable for the characteristics of their enterprises? And what kind of inclusive financing scheme can be designed to align with the principles of Gender, Disability, and Social Inclusion (GEDSI) while also contributing to the strengthening of a more just local economy?

Research Objectives

To address these issues, this study generally aims to examine the feasibility of developing inclusive and sustainable financing schemes for women and persons with disabilities in Palu City. More specifically, the objectives of this research are to:

Conclusion

- Describe the current conditions, structural barriers, and financing needs faced by women and persons with disabilities in Palu City.
- Assess financing models that are aligned with the principles of Gender, Disability, and Social Inclusion (GEDSI).
- Formulate strategic recommendations for the development of a financing ecosystem that is just, sustainable, and adaptive to the diverse needs of vulnerable groups.

Chapter II Assessment Framework

Framework

The feasibility study on inclusive and sustainable financing schemes for women and persons with disabilities in Palu City is built upon a conceptual framework that integrates microeconomic theory, the financial inclusion framework, and the perspective of Gender, Disability, and Social Inclusion (GEDSI). This multidisciplinary approach is chosen to ensure that the assessment does not focus solely on technical-economic aspects, but also takes into account the social, cultural, and structural dimensions that are key factors in realizing an inclusive financing ecosystem.

Availability refers to the supply of financial services, both in terms of the number of institutions and the variety of products offered. Accessibility concerns the ease with which individuals can reach these services, including geographic factors, administrative costs, and legal-formal requirements that often become barriers for women and persons with disabilities. Affordability highlights the cost-effectiveness of services, such as loan interest rates, transaction fees, and collateral requirements. Usability refers to the sustainable use of financial services, which is influenced by financial literacy, trust, and users' capacity to utilize financial products effectively.

This framework underscores that financial inclusion is not merely about initial access, but also about ensuring that services are consistently used and generate positive impacts on welfare (Beck, Demirguc-Kunt & Levine, 2007; Allen et al., 2016).
The third framework underpinning this study is the GEDSI lens. The GEDSI approach is crucial because access to financial services cannot be separated from the surrounding social structures. From a gender perspective, the study refers to the Gender and Development (GAD) framework, which emphasizes power relations between men and women and the need for structural interventions to address inequality (Moser, 1993; Razavi & Miller, 1995).

Women in many contexts face barriers to accessing finance, whether due to limited assets for collateral, gender-based discrimination, or the double burden of household responsibilities that reduce their opportunities for entrepreneurship. From a disability perspective, this research adopts the social model of disability (Oliver, 1990), which views disability not merely as an individual limitation, but as the outcome of social systems, policies, and services that are not disability-friendly. Persons with disabilities often face double constraints: physical barriers in accessing financial services, as well as bias and stigma from service providers who question their capacities.

The social inclusion dimension of GEDSI also emphasizes the principle of equity rather than mere equality, meaning that financial access must not only be offered uniformly but must also account for the specific needs and structural barriers faced by marginalized groups (Banks & Polack, 2013).

The integration of these three frameworks provides a comprehensive foundation for assessment. The supply–demand theory is used to examine the balance between the needs of entrepreneurs and the capacity of service providers. The financial inclusion framework ensures that the analysis addresses not only service availability, but also affordability, sustainability, and quality of use. Meanwhile, the GEDSI lens provides a critical dimension to ensure that the recommendations are truly inclusive, by taking into account the specific conditions of women and persons with disabilities. Thus, this feasibility study will not only produce a technical picture of the potential and challenges of inclusive financing in Palu City but also offer normative and practical foundations to support socially just policies and interventions.

3.1 Findings

Chapter III Findings and Analysis

3.1.1 Actual Conditions

Micro and small enterprises (MSEs) in Palu City play an important role in supporting the local economy, including those led by women and persons with disabilities (PWD). Data show that the majority of women-led MSMEs are concentrated in the food and beverage sector (58%). One example is CV Linda Bawang Goreng, a women-owned microenterprise in Palu. Although its production scale remains limited, the business employs a relatively large number of women workers. Production is carried out manually with simple equipment, and products are marketed locally. Their fried shallots are well-known for their quality and distinctive Palu flavor.

In addition to formally registered enterprises such as CVs, there are also home-based micro businesses run by housewives. Examples include small kiosks, nasi kuning (yellow rice) stalls, and the production of chili paste or shredded meat (abon). These products are marketed modestly, either through word of mouth or social media. Although small in scale, such businesses often serve as the main source of household income.

Among persons with disabilities, findings indicate that they are also actively developing microenterprises. Many PWDs manage home-based businesses such as kiosks, handicrafts, tailoring, and snack production. These businesses typically operate with limited capital and rely on family labor, yet they provide tangible contributions to daily household needs. Although the exact number of PWD-led MSMEs is not fully documented, estimates suggest that 20–30% of the hundreds of entrepreneurs in Palu involve persons with disabilities or their family members. Most fall into the micro category, with turnover ranging from IDR 1–5 million per month and employing 0–5 workers (Palu City Office of Cooperatives and MSMEs, 2024).

The availability of financing is actually quite large, with an estimated minimum of IDR 419 billion per year from bank Kredit Usaha Rakyat (KUR), government grants, CSR programs, and NGO assistance. However, only about 30% of MSMEs—including those led by women—are able to access these formal financing sources (BPS Palu City, 2023; Palu City Office of Cooperatives & MSMEs, 2024). This condition highlights the gap between the potential availability of funding and its actual utilization by target groups.



Next Steps

International NGOs such as Islamic Relief play a role in providing capital access, particularly for the extreme poor and ultra-micro businesses. Their programs include business grants, mentoring, and cooperative loans. These efforts broaden the reach of financial inclusion for ultra-micro enterprises, although challenges remain in data validation of beneficiaries and ensuring business sustainability.

At the level of medium enterprises, many actors remain reluctant to use formal banking services. For example, CV Mbok Sri refused bank loans due to concerns about interest and repayment risks. Instead, they rely on the informal bapak angkat system, in which access to production inputs is provided on credit, based on trust. While this system works due to strong social ties, it cannot be relied upon for long-term growth if the business aims to expand. This indicates that although financial needs exist, trust in formal systems remains low.

From the government side, the Palu City MSME Office has begun using a digital application called SANGU PALU to register entrepreneurs and facilitate access to programs. Through this application, some women and PWD entrepreneurs have been able to access information about assistance and training. However, usage remains limited, as not all entrepreneurs are familiar with digital technology.

Field findings also show that many women entrepreneurs operate without financial records. Most do not maintain even basic bookkeeping and tend to mix business revenues with household expenses. This makes it difficult for them to evaluate business progress or apply for formal loans. In some cases, businesses that once grew later declined due to limited capital and market access. For instance, chili paste and shredded meat businesses once penetrated markets outside the region but eventually stopped because they could not fulfill large-scale orders. This illustrates that while women-led businesses often demonstrate potential, sustaining them remains difficult.

Another finding is the low level of connection between entrepreneurs and modern markets. Their products are mostly sold in traditional markets or through social networks, and have yet to be fully integrated into supermarkets, large stores, or e-commerce platforms. As a result, market reach remains limited.

Overall, current conditions reveal that women and persons with disabilities demonstrate strong entrepreneurial spirit. However, their businesses remain small-scale, home-based, and constrained by limited capital, equipment, and market access.

3.1.2 Structural Barriers

The greatest barrier faced by women and persons with disabilities (PWD) entrepreneurs in Palu lies in their limited access to formal financial institutions. For PWDs, bank account ownership remains very low. The lack of productive assets and legal documents constitutes a major obstacle to meeting collateral requirements for credit. Women and PWD micro-entrepreneurs reported that they have not yet been able to fully utilize banking services. They often struggle to meet administrative requirements such as business permits, collateral, or active accounts. Moreover, the installment systems offered by formal financial institutions are often incompatible with the cash flow patterns of microenterprises, which tend to be irregular. As a result, many entrepreneurs continue to rely on personal capital, family loans, or trust-based arrangements with business partners.

At the same time, there are documented experiences of PWD entrepreneurs who attempted to access bank loans but encountered technical challenges. For example, visually impaired entrepreneurs found it difficult to fill out forms independently, while deaf entrepreneurs required sign language support when communicating. These cases underscore the need to strengthen the accessibility of financial services in order to reach more vulnerable groups.

Entrepreneurs also expressed concerns about the risks of borrowing, particularly the fear of being unable to make timely repayments. Such concerns often stem from limited understanding of loan mechanisms and cash flow management. Low financial literacy and the digital divide further exacerbate the situation, as many MSME actors are not accustomed to keeping even basic financial records or using digital financial services. These structural barriers are reinforced by social stigma, which weakens business networks and reduces opportunities for women and PWDs to obtain referrals or guarantors in loan processes. This highlights the importance of improving financial literacy as a critical bridge to foster stronger partnerships with banks. Importantly, field findings suggest that the issue is not outright rejection of banking institutions, but rather the need to strengthen two-way communication and understanding. Banks have significant potential to help women and PWD-led MSMEs advance, and entrepreneurs are highly motivated to grow, but they require financing schemes that are better suited to their business conditions.

Another barrier identified in the field relates to the quality of assistance received by entrepreneurs. Several respondents reported that the production equipment provided often did not match the proposals or requests submitted. For instance, a food business owner who requested a large stove to increase production capacity received instead a small stove with different specifications, which was inadequate for daily production needs. In some cases, production equipment was resold by recipients to meet urgent household needs. This was not necessarily due to intentional misuse, but rather the absence of mentoring to ensure that funds or equipment were used for their intended purpose.



Monitoring and evaluation after assistance distribution were also found to be weak. Beneficiaries did not receive follow-up support to ensure optimal use of the equipment. Some recipients did not even know how to operate the new tools provided, as no technical training was offered. As a result, the equipment remained unused. Some entrepreneurs also voiced disappointment with the lack of transparency in budget allocation. Differences were reported between the promised list of items and what was actually delivered. In some cases, the recorded price of goods was higher than the quality of the items received. These conditions created dissatisfaction among beneficiaries.

There were also cases where working capital provided in cash was depleted for daily household needs rather than business development. This occurred because no mentoring was offered on how to manage the funds. Some entrepreneurs eventually stopped their business activities once the capital was exhausted, as there was no ongoing support to sustain them. Weaknesses in the monitoring system meant that there was no mechanism for continuous evaluation, such as tracking whether the assistance genuinely contributed to increased production and income. Consequently, some businesses initially operated after receiving support but later ceased due to a lack of follow-up assistance.

Overall, field findings indicate that while assistance has reached many women and PWD entrepreneurs, issues of quality, relevance, and sustainability remain serious challenges. Without adequate mechanisms for monitoring, evaluation, and training, such support often fails to deliver optimal impacts on business development.

In addition, many women entrepreneurs face barriers stemming from their dual roles as both homemakers and business owners. The double burden of domestic and economic responsibilities often limits their participation in training, meetings, or administrative procedures required by funding providers. Some women explained that after completing household chores, they could only dedicate limited time to their businesses, often while fatigued and lacking sufficient energy to further develop their enterprises. For many housewives, entrepreneurship is only one of many daily responsibilities, leaving them with little opportunity to attend training or pursue access to assistance.

Another challenge uncovered is bureaucratic barriers in accessing support programs. Several PWD respondents stated that many government programs whether capital assistance or training were only accessible to those registered in the Integrated Social Welfare Data (DTKS). However, many women micro-entrepreneurs and PWDs were not listed in the DTKS despite their vulnerable conditions. This automatically excluded them from formal assistance programs, even when they had applied or expressed interest. Such exclusion fostered feelings of injustice among small entrepreneurs, as access to programs seemed restricted purely by administrative criteria.

Limited access to information about assistance and financing programs also emerged as a significant barrier. Many women entrepreneurs only learned of such programs through neighbors or friends, rather than through official announcements from government agencies or relevant institutions. Information rarely reached grassroots levels via formal communication channels. One PWD entrepreneur mentioned that they often found out about training or assistance programs too late, as no direct notifications were sent to disability communities. As a result, registration deadlines had already passed by the time the information reached them.

Many entrepreneurs were also not accustomed to using digital platforms as sources of information. Programs announced via official applications or social media were rarely accessed, as most relied instead on word-of-mouth networks. This created a gap between those close to information networks and those outside them. In some cases, entrepreneurs only discovered they were listed as beneficiaries when summoned by village officials, without prior socialization. Others were completely unaware of programs due to the absence of official invitations or outreach in their area.

Because of these information gaps, many assistance opportunities were missed, particularly among extremely poor women and persons with disabilities. Overall, this demonstrates that despite their strong motivation to grow, women and PWD entrepreneurs remain trapped by structural, everyday barriers that prevent them from fully accessing available opportunities.



3.1.3 Funding Requirements

Findings from interviews and FGDs indicate that access to formal financing for MSMEs in Palu City remains very limited. Only about 30 percent of entrepreneurs are able to reach facilities such as cooperatives or Kredit Usaha Rakyat(KUR). The majority still rely on grants, corporate social responsibility (CSR) assistance, and informal loans from family, friends, or rotating savings groups (arisan). Entrepreneurs who manage to access KUR generally possess collateral such as land certificates or other assets, making it nearly impossible for those without guarantees to be served. In this context, the primary need for women and persons with disabilities is working capital schemes that are small in size, flexible, and not burdensome in terms of collateral requirements.

Field findings highlight that daily working capital is the most urgent priority. Many entrepreneurs, including PWDs, require additional funds to purchase raw materials in bulk such as rice, cooking oil, or shallots in order to reduce production costs. Beyond raw materials, there is also a need for adequate production equipment. Food entrepreneurs, for instance, require packaging machines, large cooking pots, or high-capacity stoves. Without appropriate equipment, they struggle to increase production volume to meet larger market demands.

Among PWD entrepreneurs, financing needs are more specific and adaptive. Some require capital combined with special assistive tools tailored to their physical conditions. With such support, they could manage businesses more independently and competitively. However, this form of assistance is still rarely found in existing programs.

In addition to capital, appropriate financing schemes are also a concern. Many entrepreneurs expressed difficulties with daily or weekly installment systems, such as those applied by Mekaar cooperatives. Such repayment models do not align with the fluctuating cash flows of microenterprises. They prefer monthly repayment systems, which are more realistic and compatible with their business income cycles. For the extreme poor, productive grants remain important, but beneficiaries stressed the need for mentoring to ensure that grants are not depleted for household consumption.

Entrepreneurs also emphasized the importance of financial literacy. Most admitted they are not accustomed to maintaining simple financial records, leading to business income often being mixed with household expenditures. When given additional capital, funds are frequently diverted to family needs such as children's schooling or healthcare. Some had attempted manual bookkeeping but abandoned it due to confusion about the proper format. They expressed the need for practical training with real examples, as well as direct mentoring relevant to their daily businesses.

Beyond record-keeping, they also wish to learn how to save and plan long-term finances. Many stated that sales revenues are often spent entirely, leaving nothing for investment or savings. Consequently, when unexpected needs arise or opportunities to expand appear, they lack reserve capital. They hope to receive practical guidance on consistently setting aside a portion of profits.

With the growth of technology, the need for training on digital financing has also emerged. Some entrepreneurs had heard about digital wallets and cashless payments but did not yet understand how to utilize them for business management. They believe that mastering simple financial technologies would improve record-keeping and business monitoring, particularly when interacting with formal financial institutions in the future.

Continuous mentoring after capital disbursement was another recurring need highlighted by entrepreneurs. Many stressed that financial assistance should not stop at fund distribution. They require training, mentoring, and marketing support to ensure that funds are used productively. Some food and handicraft entrepreneurs already have large market demand but are constrained by distribution limitations. In such cases, they need facilitation to build partnerships with major buyers or modern retail networks.

Taken together, these findings show that the financing desired by entrepreneurs is not only about receiving additional funds but also about building a supportive ecosystem. They expect funding schemes that are simple, accessible, with realistic repayment systems, and accompanied by intensive mentoring. Without these components, received capital risks being depleted without long-term impact on their businesses.

Overall, women and PWD entrepreneurs require inclusive financing schemes that not only provide fresh capital but also ensure sustainability through financial literacy, continuous mentoring, and market access. Financing needs should be understood as part of an empowerment ecosystem, rather than merely a financial transaction. With such support, their businesses can not only survive but also grow toward independence and sustainability.

3.2 Analysis Results

Analysis using the Microeconomic Supply and Demand Theoretical Framework

Based on in-depth interviews and FGDs, several important findings emerge that illustrate the distinctive dynamics of microenterprises run by women and persons with disabilities (PWDs) in Palu City.

From the demand side, their primary need is for small-scale, flexible, and easily accessible capital, accompanied by training in business management and production skills. However, limited mobility due to disability, along with the double burden of domestic responsibilities, constrains their participation in training and business networks. In addition, negative experiences with banking fraud have made many of them more comfortable saving money in cash rather than in bank accounts.

From the supply side, formal financial institutions do in fact offer products such as Kredit Usaha Rakyat (KUR) and other loans. Yet complex procedures, collateral requirements, and burdensome installment obligations make access extremely limited for the target groups. Cooperatives are somewhat more accessible, but their requirement for weekly installments often clashes with the irregular cash flows of microenterprises. Government and NGO support tends to come in the form of grants or temporary programs, which fail to create sustainability. This indicates a mismatch between the flexible needs of entrepreneurs and the rigid supply offered by financial institutions.

Demand-side barriers are also strongly linked to limited financial and digital literacy. Many respondents especially PWDs struggle to access digital assistance due to communication challenges, lack of information, or discriminatory assumptions. For instance, a visually impaired entrepreneur was denied a bank loan not because of business feasibility, but because the bank doubted their physical capacity. Such rejection was not based on economic logic but on social constructions of "inability" associated with disability. This illustrates how stigma-based discrimination within financial markets can shape supply–demand distribution. It also demonstrates the presence of unmet potential demand that supply has failed to address.

In response to these barriers, some entrepreneurs adapt through informal mechanisms. A concrete example is the bapak angkat system at CV Mbok Sri, where entrepreneurs obtain raw materials on credit based on trust. Such models arise because of weak responses from formal mechanisms. Although not always efficient or sustainable, these strategies show that entrepreneurs will develop alternative systems when formal markets fail. For them, capital is not only about the amount, but also about security, risk affordability, and trust.

From the supply side, the actual financing capacity of financial institutions is very large estimated at a minimum of IDR 419 billion per year. However, most of these funds remain unabsorbed due to market failure. Existing financial products do not match the characteristics of microenterprises, especially in terms of installment flexibility and procedural simplicity. For instance, KUR schemes remain biased toward medium-scale enterprises that possess assets to pledge as collateral, while microenterprises run by women and PWDs are increasingly excluded.

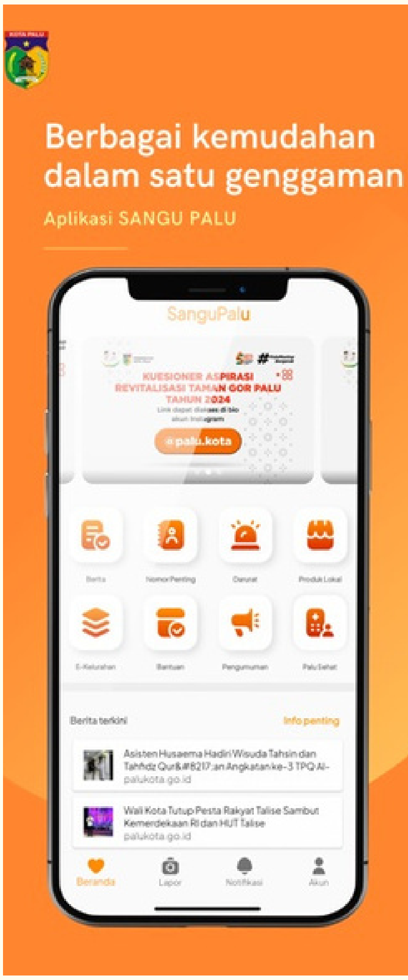
Thus, the main issue is not the availability of funds, but the misalignment between the structure of the financial market and the specific needs of vulnerable groups. The required solutions are institutional innovations, such as collateral-free credit, group-based financing schemes, or more adaptive community finance models. A new supply demand balance can only be achieved if financial products are designed to be inclusive from the outset, taking into account the social realities, gendered dynamics, and constraints faced by persons with disabilities.

Entrepreneurs' motivation to grow is very strong, both to support household needs and to achieve economic independence. However, this motivation is hindered by structural barriers such as low financial literacy, limited bookkeeping practices, and insufficient digital knowledge. From a demand theory perspective, these factors can be seen as reducing effective demand: even though there is real need, limited capacity prevents their demand from being converted into actual access to formal financing.

3.2.2 Analysis using the Financial Inclusion Framework

The financial inclusion framework (availability, accessibility, affordability, usability) must be understood as a social phenomenon, not merely as economic indicators. Findings from in-depth interviews and FGDs demonstrate that these four dimensions can be mapped in detail to assess the extent to which women and persons with disabilities (PWDs) can access available financial services.

From the availability dimension, formal financial institutions and intervention programs are already present in Central Sulawesi. Bank Indonesia, the Office of Cooperatives and MSMEs, Pegadaian, and NGOs such as Islamic Relief offer various forms of support, including grants, microloans, and financial literacy programs. There are also digital innovations, such as the government's SANGU PALU application, designed to improve access to programs. Structurally, therefore, financial services are available and increasingly diverse. However, availability does not automatically translate into equal social access. In practice, who receives information first is often determined by social position within the community. For example, women active in community gatherings or religious study groups have easier access to information than women with disabilities who spend most of their time at home.



On the accessibility dimension, social barriers become more apparent. Complex bureaucratic procedures at social services offices or banks are easier to navigate for those with higher cultural capital (education, administrative skills). Conversely, women with low literacy or PWDs with communication challenges are often excluded. Women entrepreneurs with disabilities who lack legal documents, collateral, or active accounts cannot access banks. Technical barriers also illustrate exclusion for example, visually impaired entrepreneurs unable to complete forms, or deaf entrepreneurs lacking sign language support. This shows that accessibility is not just about procedures, but also about the alignment of services with specific needs. In other words, access is constrained not by the absence of services, but by the distribution channels of information and requirement mechanisms that are not disability or gender-sensitive.

The affordability dimension is also deeply tied to social structures. Daily or weekly installment payments may be affordable in nominal terms but impose psychological pressure on women with unstable incomes. This often creates domestic conflict, as women must divert household funds to repay installments. Thus, affordability is not only about interest rates or fees, but also about the alignment between repayment schedules and business cash flows. It is as much a social issue as an economic one, shaping family and community relations.

Regarding usability, or the actual effectiveness of financial services, this dimension is heavily influenced by financial literacy and social norms. Many recipients of capital assistance fail to use funds as intended due to limited management skills. Some perceive grants as consumption rather than investment. Usability therefore reflects how far financial services are applied productively

Field data show numerous cases where business capital was misused, with low financial literacy making it difficult for recipients to distinguish between household consumption and business investment. This demonstrates that even when access is provided, usage remains suboptimal in the absence of continuous mentoring.

The sustainability of financial inclusion must also be analyzed. Grants, for instance, often fail to generate long-term impact due to the lack of monitoring and mentoring. Some entrepreneurs even used grant funds for household expenses rather than business investment. This reveals that financial inclusion efforts focused only on fund distribution without adequate support ultimately reproduce a financial inclusion gap.

Moreover, the availability and accessibility dimensions are closely linked to administrative inequities. The requirement of being registered in the Integrated Social Welfare Data (DTKS) database acts as a major barrier for many extremely poor women and PWDs. Ironically, these groups are those most in need of support. This highlights a bias in formal financial inclusion systems: those already “prepared” administratively are the ones most likely to benefit, while the most vulnerable are left behind.

It is also important to note that financial inclusion cannot be measured solely by the number of accounts or loans disbursed. The quality of access is as important as quantity. In Palu, many entrepreneurs deliberately avoid banks due to fears of interest rates and loan risks, instead relying on social networks. This underscores the importance of affordability and usability in evaluating the effectiveness of financial inclusion, beyond the mere existence of products.

The financial inclusion framework also clarifies the need for innovative financing schemes. Monthly installment systems, group-based loans with social guarantees, or integration with community-based cooperatives could serve as alternative models more aligned with entrepreneurs' realities. Such innovations would help close the gap between supply and demand, which remains disconnected through formal mechanisms.

In conclusion, analysis through the financial inclusion framework shows that the main issue is not the absence of funds, but low accessibility, affordability, and usability among target groups. Addressing these dimensions requires interventions beyond capital distribution. The four dimensions of financial inclusion can only be effective when understood as part of a broader social ecosystem. Information must circulate through communities, literacy must be built through training, and access must be secured through affirmative policies. Without these measures, financial inclusion will remain formalistic, existing administratively but failing to transform the social position of vulnerable groups. True inclusion requires systemic transformation, enhanced literacy, and financial services that are sensitive to the needs of women and persons with disabilities.

3.2.3 Analysis using the Gender, Disability, and Social Inclusion (GEDSI) Framework

The GEDSI (Gender Equality, Disability, and Social Inclusion) approach emphasizes that the issue of financing access cannot be separated from social relations, gender norms, and the forms of exclusion experienced by persons with disabilities. Within this framework, barriers to financing access for women and persons with disabilities are understood not merely as technical challenges, but as part of a broader social structure. In other words, failure to access financing is not the result of individual shortcomings, but of systems that remain unresponsive to diverse needs.

From a gender perspective, women micro-entrepreneurs in Palu occupy dual roles. They are expected to be productive in the public sphere as economic actors, while also bearing domestic responsibilities. This double burden restricts their capacity to expand their businesses. For example, some respondents could not attend training sessions because they had to care for children or manage household duties. This reflects a gendered division of labor, in which women are positioned at a disadvantage compared to men. It highlights that the economic gaps they experience are the outcome of structural inequality rather than individual limitations.

Women's dual roles as homemakers and entrepreneurs create constraints in time and energy, limiting their full participation in assistance programs. The implication is that financial interventions cannot be separated from the social and domestic context. If program design fails to account for these conditions, women will continue to be left behind in accessing economic opportunities. Therefore, financing policies must be gender-sensitive, for example by offering flexible training schedules, childcare support, or strengthening community-based spaces for role-sharing.

In the context of disability, barriers extend beyond physical limitations and are compounded by institutionalized stigma. A striking example is banks' rejection of visually impaired borrowers, treating disability as a permanent "inability" rather than a challenge that can be addressed through accessibility measures.

Structural barriers also appear in the form of banking facilities that are not disability-friendly, the absence of sign language interpreters, and administrative forms that are not adapted for the visually impaired. This illustrates that financial inclusion cannot be separated from social inclusion.

The GEDSI analysis therefore underscores the need for structural interventions at three levels:

- Individual level: strengthening financial literacy and entrepreneurial capacity among women and persons with disabilities.
- Institutional level: designing financial products that are inclusive, simple, and accessible.
- Social level: eliminating stigma, transforming public perceptions, and reinforcing community networks.

Next Steps

This approach affirms that the success of financial inclusion cannot be measured solely by the number of beneficiaries or the total funds disbursed. More crucial is the extent to which interventions can transform power relations, reduce discrimination, and strengthen the social position of women and persons with disabilities as equal economic actors. Without a GEDSI lens, financing programs risk being partial and failing to address the roots of inequality.

Overall, this analysis shows that financing access for women and persons with disabilities remains constrained by structural challenges: mismatches between their needs and formal financial schemes, low inclusion in terms of accessibility and usability, and persistent social and gender barriers. Therefore, this study emphasizes the importance of designing financing schemes that are more inclusive, sustainable, and context-sensitive not only providing capital but also offering mentoring, protection from fraud, and responsiveness to mobility constraints and domestic roles borne by women and persons with disabilities.

Actor	Role/ Intervention	Concrete Action	Expected Output
City Government (Small and Medium Enterprises Agency, Regional Development Planning Agency, Manpower Agency, etc.)	Policy and program integration	• Integrate inclusive funding schemes into the Regional Medium-Term Development Plan (RPJMD) and MSME programs • Provide interest subsidies for inclusive microloans • Provide training facilities and services that are disability-friendly	• Regional policies support financial inclusion • Microloan schemes available • Inclusive service infrastructure
Banking and Cooperatives	Financial service provider	• Flexible unsecured microcredit product design • Extend installment terms, offer low interest rates • Provide simple digital application-based services • Physical access to disability-friendly offices	• Inclusive and affordable financial products • Increased access to loans for target groups
NGOs/CSR (local and international)	Grant support, mentoring, risk guarantee	• Start-up grants6–12 months of business mentoring • Financial literacy and digital marketing training • Social security schemes to replace collateral	• Business capacity increases • Funds are used more productively • Risk of business failure decreases
Organizations for Persons with Disabilities (OPD) and Women's Groups	Advocacy and monitoring	• Involved in program planning and monitoring • Providing input on gender- and disability-friendly service design • Facilitating collective business networks	• Funding schemes relevant to specific needs • Increased participation of vulnerable groups
Local Community / Women's and Disability Cooperatives	Community-based social support	• Form women's/disabled persons' savings and loan groups • Develop a “godparent” system with formal governance • Provide solidarity-based savings and loan mechanisms	• Sustainable economic solidarity networks • Reducing dependence on external institutions
Academics/Universities	Research and evaluation	• Research on the impact of inclusive financing schemes • Assistance with the digitization of data on women-owned and disability-owned MSMEs • Development of local financial literacy curricula	• Valid, evidence-based data • Learning innovations for sustainability

Dokumentacion FGD & KII