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Financial Inclusion, Cultural Capital, and Women's Economic Empowerment: Evidence from PNM Mekaar

Tryas Chasbiandani[1*], Gunawan Baharudin[2], Shinta Budi Astuti[3]
Universitas Pancasila, DKI Jakarta, Indonesia[1,2,3]
tryas@univpancasila.ac.id[1*], shintabudiastuti@univpancasila.ac.id[3]

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Abstract
Purpose: This study examines the influence of local wisdom and participation in the Membina Ekonomi Keluarga Sejahtera (Mekaar) program on women's economic empowerment among PNM Mekaar beneficiaries in Bogor Regency, Indonesia.
Research Methodology: A quantitative explanatory design was applied involving 250 active Mekaar participants selected through purposive sampling. Data were collected using structured questionnaires with a five-point Likert scale. Multiple linear regression analysis using SPSS version 26 was employed to test the effects of local wisdom and Mekaar participation. Validity, reliability, and classical assumption tests were conducted to ensure data quality.
Results: The findings indicate that local wisdom significantly affects women's economic empowerment ($\beta = 0.352$; $p < 0.001$), while Mekaar participation also shows a significant positive effect ($\beta = 0.446$; $p < 0.001$). The model explains 62.7% of the variance ($R^2 = 0.627$; Adjusted $R^2 = 0.624$), with Mekaar participation as the dominant factor.
Conclusions: Women's empowerment is influenced by sociocultural values and financial inclusion, where their integration strengthens sustainable empowerment outcomes.
Limitations: The study is limited to one region and a cross-sectional design, restricting causal inference and generalization.
Contributions: This study integrates cultural capital and microfinance perspectives, providing implications for policymakers and microfinance institutions in designing empowerment programs.

Keywords: *Economic Empowerment, Financial Inclusion, Local Wisdom, Mekaar Program, Microfinance*

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1. Introduction

Women's economic empowerment has become a central issue in achieving inclusive and sustainable development worldwide. Empowering women economically contributes to household welfare, economic growth, poverty reduction, and social equity . The United Nations Sustainable Development Goals (SDGs), particularly Goal 5 (Gender Equality) and Goal 8 (Decent Work and Economic Growth), emphasize increasing women's access to economic opportunities and decision-making processes. Despite these global commitments, women in many developing countries, including Indonesia, still face structural barriers related to social norms, culture, and limited economic access (Anggadwita, Luturlean, Ramadani, & Ratten, 2017; (Sugeng & Refti, 2025).

In Indonesia, women's labor force participation remains relatively low at 56.42%, compared to 84.26% for men. This disparity reflects persistent structural and socio-cultural barriers that limit women's economic opportunities. Women, particularly those engaged in micro and informal enterprises, often face restricted access to finance, entrepreneurial training, business networks, and productive resources. These challenges are further reinforced by traditional gender norms that assign women greater domestic and caregiving responsibilities, limiting their ability to expand their businesses and participate fully in the economy.

Microfinance programs have been widely adopted to address these constraints by providing financial access, training, and mentoring. In Indonesia, PT Permodalan Nasional Madani (PNM) implements the Mekaar program, which has reached more than 15 million women and plays an important role in financial inclusion and women's entrepreneurship development (PNM Annual Report, 2025). Previous studies confirm that microfinance participation improves income generation, business performance, and household decision-making power (Khursheed, 2022; Nawaz, 2019) .

Beyond financial factors, sociocultural dimensions also play an important role in shaping women's empowerment. Local wisdom such as mutual cooperation, trust, solidarity, and collective responsibility represents a form of cultural capital that strengthens social support systems. Social Capital Theory suggests that such community values enhance cooperation and collective action that facilitate empowerment processes. Empirical studies also show that local wisdom contributes to women's confidence, participation, and leadership opportunities (Abidin, Huriani, Zulaiha, Uin, Gunung, & Bandung, 2023; Rohmana, & Ernawati, 2014).

Although prior research has examined microfinance and cultural factors separately, limited studies have integrated both perspectives within a single empirical model. Most studies focus either on financial inclusion outcomes or sociocultural influences independently, resulting in a fragmented understanding of women's empowerment mechanisms. In addition, evidence specifically examining PNM Mekaar beneficiaries through the integration of cultural capital and financial inclusion remains limited. Therefore, a more holistic framework is needed to explain how economic and cultural dimensions interact in shaping empowerment outcomes.

Bogor Regency is an important context for this study due to its large number of Mekaar participants and strong community-based cultural values, making it relevant for examining the interaction between financial inclusion and local wisdom. Grounded in Empowerment Theory (Rachmad, 2022; Shiri, Mahdavi, & Shiri, 2026; Wang, An, & Sun, 2025), Social Capital Theory (Julia, 2011; Nancy, 2017), and Social Construction Theory (Burr, 2024), this study aims to examine the influence of local wisdom and Mekaar participation on women's economic empowerment among PNM Mekaar beneficiaries in Bogor Regency.

This study is novel in integrating financial inclusion (Mekaar participation) with cultural capital (local wisdom) within a single empirical model, whereas previous studies have predominantly examined these constructs separately. Unlike microfinance-only studies that overlook the sociocultural embeddedness of financial interventions, or culture-only studies that neglect the resource-access mechanisms of institutional programs, this study demonstrates that both dimensions operate simultaneously and complementarily in shaping empowerment outcomes. This integrated contribution represents a theoretical and empirical advancement beyond the existing fragmented literature. Unlike prior research that focuses either on microfinance outcomes or cultural influences in isolation, this study provides a more comprehensive explanation of women's economic empowerment through the interaction of both economic and sociocultural dimensions**.**

The findings are expected to contribute theoretically by enriching empowerment literature and practically by supporting policymakers and microfinance institutions in designing more sustainable and culturally responsive empowerment programs. The novelty of this study lies specifically in integrating cultural capital (local wisdom) with financial inclusion (Mekaar participation) within a single empirical model applied to Indonesian microfinance participants, whereas prior studies have treated these two dimensions in isolation. This integrated framework provides a more complete explanation of women's economic empowerment that neither microfinance-only nor culture-only studies can offer.

2. Literature Review and Hypotheses Development

2.1 Women's Economic Empowerment

Women economic empowerment is conceptually understood as a dynamic process through which women acquire access to economic resources, expand agency, and achieve meaningful participation in economic decision-making. Rather than a static outcome, empowerment reflects the interaction between structural access to resources and the ability to convert such access into strategic life choices within household and community contexts (Kyeyune & Ntayi, 2025). Building on this multidimensional perspective, Empowerment Theory conceptualizes empowerment as the interplay between resources, agency, and achievements (Rachmad, 2022).

These dimensions are not independent but mutually reinforcing: resources enable agency, agency determines how resources are utilized, and achievements reflect the realized outcomes of this process. This framework shifts the analysis of empowerment from outcome-based interpretation to process-oriented understanding, particularly relevant in microfinance contexts where access alone does not guarantee empowerment.

However, the effectiveness of resource access is not solely determined by economic factors but is also conditioned by sociocultural environments that shape agency formation. In this regard, empowerment outcomes emerge from the interaction between financial inclusion mechanisms and social structures that either enable or constrain women's decision-making capacity. Therefore, empowerment should be understood as a context-dependent process rather than a purely economic transformation. Consistent with this integrated view, empirical evidence suggests that improvements in women's economic empowerment are associated with broader welfare outcomes at the household and community levels, including education, health, and social development (Nyarko & Koomson, 2025). These outcomes further reinforce the argument that empowerment operates through interconnected economic and social pathways rather than isolated interventions. Overall, the literature converges on the view that women's economic empowerment is inherently multidimensional and socially embedded. This necessitates an integrated analytical approach that simultaneously considers access to economic resources and the sociocultural conditions that shape how such resources are transformed into agency and outcomes.

2.2 Microfinance Participation and Women's Economic Empowerment

Microfinance is widely recognized as a key mechanism for promoting financial inclusion and enhancing women's economic empowerment, particularly among populations excluded from formal financial systems (Aziz, Sheikh, & Shah, 2022; Bhatia, & Singh, 2019). Its effectiveness lies not merely in providing financial access, but in its ability to combine credit, savings, training, and mentoring services that collectively strengthen women's productive capacity and decision-making power. From an empowerment perspective, microfinance operates through the expansion of resources that enable agency development. However, existing literature suggests that access to financial capital alone is insufficient to ensure sustained empowerment, as outcomes are also shaped by individual capabilities and contextual conditions in which financial services are embedded. This implies that microfinance should be understood as a multidimensional intervention that interacts with both economic and social environments rather than a purely financial tool.

Empirical studies generally confirm the positive association between microfinance participation and women's empowerment. Evidence from self-help groups indicates improvements in decision-making authority, household bargaining power, and entrepreneurial confidence(Khursheed, 2022). Broader cross-country analyses further show that microfinance contributes to economic, political, and social empowerment outcomes (Brody, Vojtkova, Warnock, Dunbar, Murthy, & Dworkin, 2015), while also enhancing financial independence and community participation(Nawaz, 2019). In the Indonesian context, similar findings highlight improvements in income, business sustainability, and social engagement among women beneficiaries (Lestari, Sukmana, Beik, & Sholihin, 2023; Soemitra, Kusmilawaty, & Rahma, 2022). Within this framework, the PNM Mekaar program represents an integrated microfinance model that combines financial services with mentoring and group-based support systems, thereby strengthening both economic capacity and social interaction among women entrepreneurs. Nevertheless, despite strong evidence on financial and economic outcomes, prior research has largely focused on economic indicators while underexploring the sociocultural conditions that influence program effectiveness. This gap suggests that microfinance outcomes may be better explained when financial inclusion is analyzed alongside cultural and social capital dimensions, such as local wisdom.

2.3 Local Wisdom and Women's Economic Empowerment

Local wisdom can be understood as a system of values, beliefs, norms, and practices that evolve through long-term social interaction and historical experience within communities (Agung et al., 2024). In the Indonesian context, it is embodied in practices such as gotong royong (mutual cooperation), musyawarah (deliberation), solidarity, and collective responsibility, which function as informal governance mechanisms that sustain social cohesion and collective action. From a theoretical perspective, Social Capital Theory explains that trust, norms, and social networks play a critical role in facilitating coordinated actions and shared problem-solving (Zhao & Detlor, 2023). In this sense, local wisdom can be conceptualized as a culturally embedded form of social capital that shapes behavioral norms and determines the extent to which individuals can participate in collective economic and social activities. Thus, its relevance to empowerment lies not only in cultural expression but in its function as a structural enabler of agency.

Rather than operating independently, local wisdom interacts with individual and institutional processes to influence empowerment outcomes. Strong social capital environments tend to generate higher levels of participation, trust, and cooperation, which are essential for enabling women's engagement in economic decision-making and community-based activities. This indicates that empowerment is socially embedded and dependent on the quality of community-level relational structures. Similarly, social support derived from local cultural systems has been shown to strengthen women's involvement in economic and organizational activities (Bastian, Wood, & NG, 2023).Empirical evidence supports this integrated view by showing that cultural values and social cohesion enhance women's confidence, participation, and recognition within communities (Abidin, Huriani, Zulaiha, Uin, Gunung, & Bandung, 2023; Erdiyanti, Rusmana, Saripah, & Pratama, 2024). In broader Asian contexts, collective norms and community trust are also associated with improved entrepreneurial performance and empowerment outcomes (Javeed, Khan, Alomair, & Al, 2026; (Zhao & Detlor, 2023)).

Despite these findings, existing studies largely treat local wisdom and economic interventions as separate domains of analysis. Limited research has examined how culturally embedded social capital interacts with financial inclusion mechanisms to shape women's economic empowerment. This gap highlights the need for integrated models that combine sociocultural and economic perspectives, particularly in microfinance contexts where community-based values may significantly influence program effectiveness.

2.4 Research Gap and Theoretical Framework

Existing literature consistently shows that microfinance programs enhance women's economic empowerment through improved access to financial resources, entrepreneurial opportunities, and increased decision-making capacity (Brody, Vojtkova, Warnock, Dunbar, Murthy, & Dworkin, 2015; Khursheed, 2022). In parallel, studies on local wisdom and social capital highlight the role of cultural values, trust, and collective norms in fostering women's participation and social inclusion within communities(Abidin, Huriani, Zulaiha, Uin, Gunung, & Bandung, 2023). However, these two streams of literature largely develop in parallel, with limited theoretical and empirical integration.

A key gap in the literature is that prior studies tend to treat economic (microfinance) and sociocultural (local wisdom) determinants as separate explanatory domains, rather than examining their interaction in shaping empowerment outcomes. This separation limits understanding of how financial inclusion processes are embedded within cultural and social structures that may strengthen or weaken their effectiveness. In addition, empirical evidence integrating microfinance participation and local wisdom within the Indonesian context remains limited, particularly in studies involving PNM Mekaar beneficiaries. Existing research on Mekaar programs has predominantly focused on economic performance, income generation, and welfare improvements, while broader multidimensional aspects of women's empowerment remain underexplored. To address these gaps, this study integrates Empowerment Theory (Rachmad, 2022; Shiri, Mahdavi, & Shiri, 2026; Wang, An, & Sun, 2025), Social Capital Theory (Julia, 2011; Nancy, 2017), and Social Construction Theory (Burr, 2024). Rather than drawing on each theory independently, this study employs them in an integrated manner: Empowerment Theory frames the resource-agency-achievement mechanism activated by Mekaar participation, Social Capital Theory explains how local wisdom functions as a structural enabler of collective action and agency, and Social Construction Theory contextualizes the socially co-constructed nature of empowerment identities within community settings. This integrated framework positions women's economic empowerment as the outcome of both resource-based mechanisms (microfinance participation) and socially embedded cultural systems (local wisdom), advancing beyond the fragmented literature by articulating a coherent causal architecture in which institutional and cultural mechanisms jointly generate empowerment outcomes.

2.5 Hypotheses Development

Empowerment Theory explains that women's empowerment occurs when individuals gain access to resources and enabling structures that enhance their ability to make strategic choices (Rachmad, 2022; Wang, An, & Sun, 2025). In this study, local wisdom represents such enabling structure through collective norms such as trust, mutual cooperation, and solidarity. These values strengthen women's confidence, social embeddedness, and participation in economic decision-making processes. Therefore, local wisdom is conceptually aligned with the social dimension of empowerment, particularly indicators related to social participation, confidence, and community-based decision-making.

Empirically, studies confirm that social capital enhances women's agency by expanding networks and reinforcing collective support systems (Nancy, 2017; Abidin, Huriani, Zulaiha, Uin, Gunung, & Bandung, 2023). When embedded in strong cultural values, women are more likely to access informal support and engage in productive activities. Accordingly, the stronger the local wisdom in a community, the higher the likelihood of improved women's economic empowerment. Specifically, the construct of local wisdom in this study is measured through indicators of mutual cooperation, social solidarity, trust, collective responsibility, and community deliberation, all of which directly correspond to the social dimension of empowerment as operationalized by Wang et al. (2025) and (Abidin et al., 2023). This indicator alignment ensures theoretical coherence between the construct definition and its empirical measurement.

H_1: Local wisdom positively influences women's economic empowerment.

In parallel, microfinance participation represents the economic dimension of empowerment through access to financial capital, entrepreneurial training, and mentoring support. According to Empowerment Theory, access to such resources increases women's agency by improving their control over economic decisions and productive assets (Shiri, Mahdavi, & Shiri, 2026; Wang et al., 2025). In this study, Mekaar participation is directly aligned with indicators such as financial decision-making, entrepreneurial confidence, and control over economic resources. Prior studies consistently show that microfinance participation enhances women's income generation, bargaining power, and financial independence (Brody, Vojtkova, Warnock, Dunbar, Murthy, & Dworkin, 2015; (Shiri et al., 2026)). The Mekaar program strengthens these effects by combining financing with mentoring and group-based support, which further enhances women's capability and confidence in managing microenterprises. Thus, higher participation in Mekaar is expected to lead to stronger economic empowerment outcomes. The construct of Mekaar participation in this study is operationalized through indicators of group meeting attendance, mentoring participation, financing utilization, entrepreneurship training, and peer support engagement, each directly aligned with the economic agency dimension of empowerment as conceptualized by Shiri et al. (2026) and Wang et al. (2025). This construct-indicator alignment ensures that hypothesis testing measures the intended theoretical mechanism rather than peripheral program features.

H_2: Mekaar participation positively influences women's economic empowerment.

3. Research Methodology

3.1 Research Design

This study employed a quantitative explanatory research design using a survey-based approach to examine the influence of local wisdom and Mekaar participation on women's economic empowerment among beneficiaries of the *Membina Ekonomi Keluarga Sejahtera* (Mekaar) program. The explanatory design was selected because this study aims to test causal relationships among variables and examine the extent to which independent variables explain variations in women's economic empowerment, based on Empowerment Theory (Rachmad, 2022; Shiri, Mahdavi, & Shiri, 2026; Wang, An, & Sun, 2025), Social Capital Theory (Julia, 2011; Nancy, 2017), and Social Construction Theory (Burr, 2024).The study was conducted in Bogor Regency, Indonesia, which was chosen due to its high number of Mekaar participants and strong local wisdom practices. This context is considered appropriate for analyzing the interaction between microfinance participation and socio-cultural values in shaping women's empowerment outcomes.

3.2 Population and Sample

The population of this study consisted of women participating in the PNM Mekaar program in Bogor Regency. A total of 250 respondents were selected using purposive sampling. This technique was used to ensure that respondents had relevant experience with the Mekaar program so that they could provide accurate and meaningful responses regarding empowerment outcomes. The inclusion criteria were active Mekaar beneficiaries, minimum one year participation in the program, and operating micro or ultra-micro businesses supported by Mekaar. Although purposive sampling may limit generalizability and introduce selection bias, this was minimized by applying strict inclusion criteria and selecting respondents from different sub-districts within Bogor Regency to improve representativeness across geographic sub-populations.

Purposive sampling was specifically justified in this study because the research requires participants with direct, first-hand experience of the Mekaar program, making random sampling from the general population inappropriate and purposive selection from the registered participant pool methodologically superior for generating valid responses. Potential response bias was further addressed through standardized questionnaire instructions, guaranteed confidentiality, voluntary participation, and informed consent procedures that encouraged candid responses. Ethical compliance was maintained by ensuring respondents were fully informed of the research purpose, that participation posed no physical or psychological harm, and that data would be used exclusively for academic purposes. The sample size of 250 was also adequate for multiple linear regression analysis with the number of predictors used (Black & Babin, 2019).

3.3 Data Collection Procedure

Data were collected using a structured questionnaire distributed directly to respondents between January and March 2025. The questionnaire used a five-point Likert scale ranging from 1 ("strongly disagree") to 5 ("strongly agree"). Before the main survey, a pilot test involving 30 respondents was conducted to ensure clarity, readability, and initial validity of the instrument, and minor revisions were made based on the results. To ensure data quality and ethical compliance, respondents were informed about the study purpose, participation was voluntary, and informed consent was obtained. Confidentiality and anonymity were guaranteed to reduce response bias and encourage honest answers. Standardized instructions were also provided to minimize measurement errors. The questionnaire consisted of demographic information, local wisdom and Mekaar participation variables, and women's economic empowerment indicators.

3.4 Variable Measurement

Women's economic empowerment was measured as the dependent variable *(Y*). The construct was adapted from Wang, An, and Sun (2025) and Shiri, Mahdavi, and Shiri (2026), focusing on women's ability to participate in household financial decisions, business decision-making authority, control over economic resources, confidence in economic activities, and involvement in community economic initiatives. Local wisdom (X_1) was measured based on indicators adapted from Abidin et al. (2023) and Putra and Fadilla (2025) The indicators included mutual cooperation (gotong royong), social solidarity, trust among community members, collective responsibility, and participation in community deliberation processes.

Mekaar participation (X_2) was measured by adapting indicators from previous microfinance studies (Kadir, Tri Wahyudi, Maski, & Devia Sagita Sumantri, 2025; Marpaung, Fitri, Jamila, & Mahanani, 2025). The indicators included attendance in group meetings, participation in business mentoring activities, utilization of financing facilities, engagement in entrepreneurship training, and interaction with peer support groups. To ensure construct validity and measurement consistency, this study adopts indicators from well-established literature. The operational definitions and measurement indicators for each research variable are presented in Table 1.

Table 1. Operational definition of variables and measurement indicators

VariableS	Indicators	Sources
Local Wisdom (X_1)	Mutual cooperation, social solidarity, trust, collective responsibility, community deliberation	Putnam (1993); Abidin et al. (2023); Suryani (2020)
Mekaar Participation (X_2)	Group meeting attendance, mentoring participation, financing utilization, entrepreneurship training, peer support engagement	Swain and Wallentin (2009); Garikipati et al. (2017)
Women Economic Empowerment (Y)	Financial decision-making, control over resources, entrepreneurial confidence, economic participation, community involvement	Kabeer (1999); Malhotra et al. (2002)

The validity of the questionnaire was assessed using Pearson Product Moment correlation analysis. Questionnaire items were considered valid when the corrected item-total correlation coefficient exceeded 0.30 and the significance value was below 0.05. Reliability testing was conducted using Cronbach's Alpha coefficients. Constructs with Cronbach's Alpha values greater than 0.70 were considered reliable and demonstrated acceptable internal consistency (Black & Babin, 2019).

3.5 Data Analysis Techniques

Data analysis was performed using SPSS Statistics. The analytical procedure involved several stages. First, descriptive statistical analysis was conducted to describe respondents' demographic characteristics and perceptions regarding each research variable. Second, validity and reliability tests were performed to evaluate the quality of the measurement instruments. Third, classical assumption tests were carried out to ensure compliance with multiple linear regression requirements. These tests included normality testing using the Kolmogorov-Smirnov method, multicollinearity testing using Variance Inflation Factor (VIF) and tolerance values, and heteroscedasticity testing using the Glejser test.

Finally, hypotheses were tested using multiple linear regression analysis based on the following model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon(1) \qquad (1)$$

(1) where:

Y = Women's Economic Empowerment
α = Constant
β_1 = Regression coefficient of Local Wisdom
β_2 = Regression coefficient of Mekaar Participation
X_1 = Local Wisdom
X_2 = Mekaar Participation
ε = Error term
The significance level was set at 5% ($\alpha = 0.05$). The F-test was used to assess the simultaneous effect of independent variables on women's economic empowerment, while t-tests were employed to evaluate the partial effects of each independent variable. The coefficient of determination (Adjusted R^2) was used to measure the explanatory power of the regression model.

4. Results and Discussions

Descriptive statistics were employed to provide an overview of respondents' perceptions regarding the research variables. As shown in table 2, the results include the mean scores and standard deviations for each construct.

Table 2. Descriptive statistics of research variables

Variables	Mean	Standard Deviation
Local Wisdom (X_1)	4.27	0.58
Mekaar Participation (X_2)	4.41	0.48
Women Economic Empowerment (Y)	4.22	0.61

The results presented in Table 2 indicate that all variables have mean values exceeding 4.00, suggesting a generally high level of agreement among respondents. Mekaar Participation recorded the highest mean score (4.41), indicating strong participant engagement in the program. Meanwhile, Women's Economic Empowerment exhibited the highest standard deviation (0.61), reflecting relatively greater variation in respondents' perceptions. The high mean values across variables also indicate a consistent positive perception of both socio cultural and programmatic dimensions of empowerment, which aligns with the theoretical expectation that empowerment tends to be higher in supportive institutional and community environments.

As shown in table 3, prior to hypothesis testing, validity and reliability analyses were conducted to assess the adequacy of the research instrument in measuring the intended constructs.

Table 3. Validity and reliability test results

Variables	Number of Items	Corrected Item-Total Correlation	Cronbach Alpha
Local Wisdom (X_1)	5	0.512–0.734	0.847
Mekaar Participation (X_2)	5	0.548–0.781	0.879
Women Economic Empowerment (Y)	5	0.526–0.756	0.862

Table 3 demonstrates that all measurement items satisfy the validity criterion, with corrected item-total correlation values exceeding the recommended threshold of 0.30. Furthermore, the Cronbach's Alpha values for all constructs are above 0.80, indicating a high level of internal consistency and confirming the reliability of the measurement instrument. Before performing regression analysis, classical assumption tests were conducted to ensure that the regression model met the required assumptions. The Kolmogorov-Smirnov test produced a significance value of 0.086, which exceeded 0.05, indicating that the residuals were normally distributed.

Table 4, a multicollinearity test was performed to determine whether strong correlations existed among the independent variables, which could potentially distort the regression estimates.

Table 4. Multicollinearity test results

Variables	Tolerance	VIF
Local Wisdom (X_1)	0.721	1.387
Mekaar Participation (X_2)	0.721	1.387

The results in Table 4 reveal that all independent variables have tolerance values greater than 0.10 and VIF values substantially below the threshold of 10. These findings indicate the absence of multicollinearity issues, suggesting that the regression model meets the required assumptions for further analysis. The Glejser test results indicated significance values greater than 0.05 for all independent variables, suggesting that heteroscedasticity was not present in the regression model.

Multiple linear regression analysis was conducted to examine the effects of *Local Wisdom* and *Mekaar Participation* on *Women's Economic Empowerment*. The regression results are reported in Table 5.

Table 5. Results of multiple linear regression analysis

Variables	Unstandardized Coefficient (B)	Standardized Coefficient (Beta)	t-value	Sig.
Constant	1.214	-	3.845	0.000
Local Wisdom (X_1)	0.321	0.352	5.214	0.000
Mekaar Participation (X_2)	0.417	0.446	6.827	0.000

As presented in Table 5, *Local Wisdom* has a positive and statistically significant effect on *Women's Economic Empowerment* ($\beta = 0.352$, $p < 0.001$). Similarly, *Mekaar Participation* exerts a positive and significant influence on women's economic empowerment ($\beta = 0.446$, $p < 0.001$). The larger standardized coefficient of *Mekaar Participation* indicates that it has a stronger contribution to enhancing women's economic empowerment compared to *Local Wisdom*. These findings support the proposed hypotheses and highlight the importance of community-based financial inclusion programs in strengthening women's economic capacity**.** In addition to statistical significance, the standardized coefficients indicate the relative effect size of each predictor. Mekaar Participation ($\beta = 0.446$) demonstrates a stronger effect compared to Local Wisdom ($\beta = 0.352$), suggesting that financial inclusion mechanisms contribute more substantially to variations in women's economic empowerment than sociocultural factors. This effect size comparison provides a clearer understanding of the practical importance of each variable beyond p-values alone. From a robustness perspective, the consistency between standardized coefficients, t-values, and significance levels confirms the stability of the regression estimates.

Furthermore, these statistical findings align with Empowerment Theory and Social Capital Theory, which emphasize that both resource access and social structures jointly shape empowerment outcomes, with economic access playing a more dominant operational role in this context. To further assess robustness, the consistency of results across validity, reliability, classical assumption, and regression tests collectively confirms that the findings are not artifacts of measurement error or model misspecification, but reflect genuine and stable empirical relationships between the constructs. The effect size difference between Mekaar participation ($\beta = 0.446$) and local wisdom ($\beta = 0.352$), while both significant, suggests a theoretically coherent hierarchy in which economic resource access generates larger immediate empowerment gains than sociocultural capital in the specific institutional context of the Mekaar program, consistent with Empowerment Theory prioritization of resource mechanisms as the proximate driver of agency expansion.

To evaluate the explanatory power of the regression model, the coefficient of determination (R^2) and adjusted R^2 were examined. The model summary results are presented in Table 6.

Table 6. Model summary

Model	R	R Square	Adjusted R Square	Std. Error
1	0.792	0.627	0.624	0.394

As reported in Table 6, the regression model produced an R value of 0.792, indicating a strong positive relationship between the independent variables and women's economic empowerment. The R Square value of 0.627 suggests that approximately 62.7% of the variation in *Women's Economic Empowerment* can be explained by *Local Wisdom* and *Mekaar Participation*, while the remaining 37.3% is attributable to other factors not included in the model. Furthermore, the Adjusted R Square value of 0.624 confirms the robustness of the model after accounting for the number of predictors. These findings indicate that the model possesses substantial explanatory power. The relatively high R^2 and adjusted R^2 values also indicate a robust and stable explanatory model, suggesting that the results are not only statistically significant but also practically reliable in explaining variations in women's economic empowerment.

An analysis of variance (ANOVA) was conducted to assess the overall significance and goodness-of-fit of the regression model. The results are presented in Table 7.

Table 7. ANOVA results

Model	F-value	Sig.
Regression	207.431	0.000

The ANOVA results confirm the overall adequacy of the regression model. The highly significant F-statistic ($F = 207.431$, $p < 0.001$) indicates that the model provides a significantly better prediction of women's economic empowerment than a model without predictors. This finding supports the argument that local wisdom and participation in the Mekaar program jointly contribute to strengthening women's economic empowerment within the studied community context.

The findings reveal that local wisdom positively influences women's economic empowerment. This result suggests that cultural values embedded within communities, such as mutual cooperation, trust, social solidarity, and collective responsibility, contribute to strengthening women's participation in economic activities and decision-making processes. This finding supports Social Capital Theory proposed by Wang et al. (2025) and Shiri et al. (2026), which argues that social networks and trust facilitate collective action and individual advancement. Communities characterized by strong social capital create supportive environments that encourage women to develop confidence and engage in entrepreneurial activities.

The results are consistent with previous studies conducted by Abidin et al. (2023), who found that local cultural values enhance women's social recognition and participation within communities. Similarly, Putra and Fadilla (2025) reported that local wisdom promotes community solidarity, which subsequently supports women's empowerment initiatives. Anggadwita, Luturlean, Ramadani, and Ratten (2017) also demonstrated that sociocultural support mechanisms positively influence women's ability to participate in economic and social activities. The findings indicate that economic empowerment should not be viewed solely from a financial perspective. Cultural contexts that support women's involvement in public and economic spheres are equally important in promoting sustainable empowerment outcomes. The study further demonstrates that Mekaar participation significantly enhances women's economic empowerment. This finding confirms that access to financial services accompanied by mentoring and entrepreneurial support contributes to strengthening women's economic capacities. The result aligns with Empowerment Theory proposed by Wang et al. (2025) and Shiri et al. (2026), which emphasizes that access to resources enhances women's agency and enables them to achieve desired outcomes. Participation in the Mekaar program provides financial capital, entrepreneurship training, and peer support networks that facilitate women's economic advancement.

The findings are consistent with Murshid (2018), who reported that participation in microfinance programs increases women's bargaining power and decision-making authority. Khursheed (2022) similarly argued that microfinance contributes positively to women's economic independence and entrepreneurial confidence. (Brody, Vojtkova, Warnock, Dunbar, Murthy, & Dworkin, 2015), through a systematic review, found that economic self-help groups improve women's economic and social empowerment outcomes. The stronger contribution of Mekaar participation compared to local wisdom suggests that financial inclusion initiatives play a critical role in enhancing women's economic opportunities. However, these interventions become more effective when implemented within supportive sociocultural environments.

From a theoretical perspective, this study extends the literature on women's empowerment by integrating Empowerment Theory and Social Capital Theory within the context of microfinance programs. The findings suggest that women's economic empowerment is multidimensional and influenced by both economic resources and sociocultural factors. Practically, the findings provide important implications for PT Permodalan Nasional Madani (PNM) and policymakers. For PNM specifically, the dominant effect of Mekaar participation ($\beta = 0.446$) justifies targeted investment in structured mentoring cycles beyond initial loan disbursement, including quarterly business coaching sessions on financial recordkeeping, pricing strategies, and digital marketplace access. PNM should also embed a mandatory financial literacy module within existing group meeting schedules, addressing savings management, credit utilization efficiency, and digital payment adoption, to directly strengthen participants' financial decision-making capacity.

For local government in Bogor Regency, the significant effect of local wisdom ($\beta = 0.352$) indicates that community development programs should formally mobilize gotong royong and musyawarah networks as active co-implementation partners rather than treating cultural capital as passive background context. The Bogor Regency Social Affairs Office should establish formal collaboration protocols with Mekaar group facilitators, link Mekaar participants to existing market access programs through village cooperative networks, and integrate women's business development indicators into Musrenbang deliberation processes. Overall, this study demonstrates that sustainable women's economic empowerment requires a coordinated institutional approach in which financial inclusion mechanisms and sociocultural support systems are intentionally designed to reinforce each other, generating broader developmental impacts including improved household welfare, stronger community participation, and more inclusive economic growth.

5. Conclusions

5.1 Conclusion

This study integrated financial inclusion and cultural capital perspectives within a single empirical framework to explain women's economic empowerment among PNM Mekaar beneficiaries in Bogor Regency, Indonesia. The central contribution is demonstrating that empowerment emerges from the simultaneous operation of both economic access and cultural context: Mekaar participation activates the resource-agency mechanism central to Empowerment Theory, while local wisdom provides the social capital infrastructure that conditions how effectively those resources translate into agency and outcomes. Together, these two dimensions explain 62.7% of the variance in women's economic empowerment, confirming the analytical superiority of the integrated framework over single-dimension models. The study reinforces the argument that women's economic empowerment is an inherently multidimensional and context-sensitive process. By theoretically integrating Empowerment Theory, Social Capital Theory, and Social Construction Theory, this study advances a more complete understanding of empowerment trajectories in microfinance settings than either economic or cultural perspectives alone can provide.

5.2 Research Limitations

Several limitations should be acknowledged in interpreting the findings of this study. First, the study was conducted exclusively among PNM Mekaar participants in Bogor Regency, which may limit the generalizability of the findings to women participating in other microfinance programs or residing in different geographical and sociocultural contexts. Second, the study employed a cross-sectional research design that captured respondents' perceptions at a single point in time. Consequently, the study was unable to examine changes in women's economic empowerment over time or establish stronger causal relationships among the variables investigated. Third, the study relied on self-reported questionnaire data, which may be subject to social desirability bias and respondents' subjective interpretations of empowerment experiences. Additionally, the research focused only on local wisdom and Mekaar participation as determinants of women's economic empowerment. Other potentially important factors, such as financial literacy, entrepreneurial orientation, family support, digital financial inclusion, and institutional quality, were not included in the analytical model. Therefore, future studies should consider incorporating these additional variables to provide a more comprehensive understanding of women's economic empowerment.

5.3 Suggestions and Directions for Future Research

Based on the findings and limitations of this study, several recommendations can be proposed. From a practical perspective, PT Permodalan Nasional Madani (PNM) should continue strengthening mentoring activities, financial literacy programs, and entrepreneurial development initiatives within the Mekaar program to enhance women's economic capabilities and business sustainability. In addition, policymakers and community leaders should incorporate local cultural values and social capital into empowerment programs to foster supportive environments that encourage women's active participation in economic and community activities.

For future research, several directions are recommended. First, future studies should expand the research setting by involving participants from different regions or comparing urban and rural communities to improve the external validity and generalizability of findings. Second, longitudinal research designs are encouraged to examine the dynamics of women's economic empowerment over time and provide stronger evidence regarding causal relationships. Third, future studies may employ mixed-methods approaches by combining quantitative and qualitative techniques to gain deeper insights into women's lived experiences and empowerment processes.

Furthermore, future researchers are encouraged to investigate additional determinants of women's economic empowerment, such as financial literacy, digital financial inclusion, entrepreneurial orientation, social support, and institutional factors. Exploring mediating and moderating variables may also provide a more nuanced understanding of how microfinance participation and sociocultural contexts interact to influence empowerment outcomes. Such efforts are expected to enrich the existing body of knowledge and contribute to the development of more effective and sustainable women's empowerment strategies.

Author Contributions

TC contributed to conceptualization, methodology, investigation, data curation, formal analysis, writing original draft preparation, and visualization. GB contributed to literature review, validation, data interpretation, writing review and editing, and manuscript refinement. SBA contributed to supervision, project administration, research monitoring, quality assurance, writing review and editing, and final approval of the manuscript. All authors have read and agreed to the published version of the manuscript and take responsibility for the integrity and accuracy of the research.

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