GENDER, ETHNICITY, INFRASTRUCTURE, AND THE USE OF FINANCIAL INSTITUTIONS IN KALIMANTAN BARAT, INDONESIA

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ABSTRACT

An important process is underway in the expansive, rugged, and sparsely populated province of Kalimantan Barat, Indonesian Borneo—the rapid spread of formal financial institutions. Banks are becoming increasingly available to people who, until recently, had no alternative to being “unbanked.” Credit unions are at the center of an indigenous Dayak empowerment movement. Rotating savings and credit associations and local cooperatives also remain important. However, not everyone has chosen to use these formal and informal institutions. This dissertation examines variables that may influence decisions to use these financial institutions, including gender, ethnicity, geographic location and development of the physical infrastructure. The results of this study indicate that men are more likely to use banks than women because they are more educated; Dayak are more likely than other local ethnicities to use credit unions; and geographic proximity may influence people’s decisions to use various financial institutions.