

# Women Economic Empowerment Through Sharia Micro-Finance Institutions in Indonesia: A Qualitative Research

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## ABSTRACT

Women empowerment has become an essential agenda in sustainable development due to their difficulty accessing sources of capital for micro-enterprises. Islamic microfinance institutions are an alternative for women in Indonesia to overcome the challenges of accessing business capital for micro-enterprises. This was a qualitative research with data collected from literature study and in-depth interviews. The literature study was conducted by accessing the Google Scholar database using the keywords “women empowerment” AND “Islamic microfinance” OR “Islamic microfinance”. The search time range, limited to the last five years, namely 2017 to 2022, found 19 relevant papers. Furthermore, four sharia microfinance institutions were reported to run women empowerment programs, namely sharia cooperatives, Baitul Mal Wat Tamwil (BMT), Zakat Management Organizations, and Micro Waqf Banks. The results of interviews with 20 lecturers of Islamic Economics strengthened the role of Islamic microfinance institutions in women empowerment programs in Indonesia.

**Keywords:** *Islamic Microfinance Institutions, Micro-business, Women Empowerment*

## INTRODUCTION

Economic empowerment is an essential theme in poverty alleviation strategies. Conceptually, poverty is triggered by several factors, such as the gap in resource ownership, which is the beginning of unequal income distribution, as well as the quality and availability of human resources and assets. Data showed that women’s access to education, finance, and employment opportunities is still lower than men.



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Women play a crucial role in the economy by engaging in numerous jobs, both professionally and unpaid domestic chores, which has unfortunately led to economic disparities. For example, BPS data showed that they are perceived as inferior to men in terms of salaries (Bisnis.com). The data shows that 54% of women participated in work activities, compared to their male counterparts which is relatively higher at 83.9%. Meanwhile, women's salaries are half that of the men's, which is a significant difference (Kompas.com).

The Global Gender Gap Report published in 2020 (World Economic Forum, 2019) stated that adult men have 78% access to the labor market while women were only exposed to 55%. A similar report published in 2021, stated that 72 out of 153 countries still do not provide financial access to women from certain social groups. In Indonesia, approximately 95% work in the informal sector, and only 7% of female heads of households are able to access capacity-building programs at the regional level. This shows that there is a large gap, where only 5% of female heads of households are able to find work in the formal sector.

Micro-enterprises are important players in absorbing job seekers, reducing poverty, and promoting economic growth. Meanwhile, data showed that 95% of Indonesian women work in the informal sector (liputan6.com). This condition simply depicts that economic empowerment realized through small businesses is worth fighting for, because it is a potential strategy in poverty alleviation.

The problems associated with socio-economic inequality and its impacts on women need to be analyzed to enable the implementation of poverty alleviation programs. Economic empowerment enables them to enjoy the same rights as men in terms of utilizing resources, assets, income, and risk management. This concept is aimed at realizing gender equality, eradicating poverty, and equitable economic growth involving women inclusively (Economic Empowerment, nd.).

Conceptually, six main factors support the realization of women economic empowerment. First, increasing their ability to take actions that require joint decisions. Second, enhancing women's capacity to find decent-paying jobs, being appointed as leaders, and retire with sufficient savings. Third, obtaining a fair distribution of work-related responsibilities. Fourth, increasing control of women over assets, income, and resources in the household and formal institutions. Fifth, boosting the confidence, protecting them from violence and harassment, as well as promoting the ability to

become independent actors. Sixth, increasing the capability of women in terms of developing resilience to deal with external shocks and risks.

In the Indonesian context, several research have been carried out on women empowerment. A'yun (2020) stated that they also play a role in developing the sharia economy. Some research reported that microfinance institutions significantly impact women empowerment programs (Fitri *et al.*, 2020; Izdihar & Widiastuti, 2020). Some investigations also examined the pattern of economic empowerment through Micro Waqf Banks (Arfin, 2021; Dewanti *et al.*, 2021). Meanwhile, none of these analyses comprehensively focused on the realization of women empowerment through Islamic microfinance institutions in Indonesia.

Therefore, it is extremely important to carry out a research that discusses the role of Islamic microfinance institutions in empowering women. This present research is the most recent one carried out in the country. Its novelty lies in comprehensively examining the various roles of empowering women through Islamic microfinance institutions. The role of women empowerment is analyzed separately in each microfinance institution by the existing writings. This research focuses explicitly on literature study, which entailed conducting a series of discussions. First, the research map was quantitatively analyzed in relation to the role of Islamic microfinance institutions in women economic empowerment. Second, the themes were qualitatively evaluated, and third, the Islamic Economists' perspectives were also evaluated.

## **RESEARCH METHOD**

This qualitative research employed a combination of document analysis and enriched interview techniques (Williamson *et al.*, 2018). According to Bowen (2009), document analysis is a systematic procedure for reviewing or evaluating related journals. In this case, an electronic document on the Google Scholar database was reviewed. The selected papers were based on the research problems related to the role of Islamic microfinance institutions in empowering women. The selected papers were then examined and the discussion themes were grouped into themes and sub-themes for proper understanding. The document analysis was carried out to obtain a clear meaning and acquire new knowledge.

The interview was a question-and-answer activity aimed at obtaining information from the informants through writings or audio-visual recordings. Information from informants are thoroughly interpreted to understand the

phenomenon of the research problem (Gill *et al.*, 2008; Oko, 1992).. The interview sessions were conducted through Focus Group Discussions with Islamic economists who are also lecturers in North Sumatra. This aimed to obtain in-depth information on the experts' perspectives on how Islamic microfinance institutions can empower women.

## RESULTS

Search on Google Scholar with the Boolean technique using the keywords “women empowerment” AND “Islamic microfinance” OR “Islamic microfinance” from 2017 to 2022, obtained 93 papers. However, after further review on the suitability of the titles, abstracts, and contents, 19 relevant papers were selected, as the subject of the review, as shown in table 1.

**Table 1. Selected Paper Review**

No	Author	Title
1.	(Dewanti <i>et al.</i> , 2021)	Bank Wakaf Mikro Usaha Mandiri Sakinah: Pemberdayaan Ekonomi Perempuan Universitas Aisyiyah Yogyakarta
2.	(Izdihar & Widiastuti, 2020)	Peran Lembaga Amil Zakat Muhammadiyah (LAZISMU) Surabaya Dalam Pemberdayaan UMKM Perempuan di Surabaya Melalui Pemanfaatan Dana Infaq dan Shadaqah
3.	(Irwantoro & Noviandari, 2019)	Kebijakan Pemerintah dalam Pengembangan Lembaga Keuangan Non-Bank dalam Upaya Peningkatan Kesejahteraan Perempuan di Kabupaten Bojonegoro
4.	(Arfin, 2021)	Peningkatan Kesejahteraan Masyarakat Melalui Pemberdayaan Ekonomi Perempuan (Studi Pada Bank Wakaf Mikro Al Muna Berkah Mandiri Pesantren Al Munawwir)
5.	(ADELIA, 2020)	Analisis Penyaluran Pembiayaan pada KSPPS BMT Adil Berkah Sejahtera Lampung Tengah dalam Pemberdayaan Ekonomi Perempuan
6.	(Muhyiddin Robani & Ekawaty, 2019)	Analisis Dampak Pemberdayaan Perempuan terhadap Kesejahteraan Keluarga (Studi Pada Koperasi Jasa Keuangan Syariah Ukhuwah Pro-Ibu Bekasi)
7.	(Astuti, n.d.)	Analisis Keberhasilan Pre and Post Test Grameen Bank terhadap Hasil Pemberdayaan Perempuan (Studi Kasus di Koperasi Mitra Dhuafa Cabang Cileungsi)

8.	(Rizkina <i>et al.</i> , 2020)	Efektivitas Dana SPP (Simpan Pinjam Perempuan) dalam Peningkatan Perekonomian Masyarakat (Studi pada UPK Mandiri Syariah Kecamatan Montasik, Kabupaten Aceh Besar)
9.	(Hazmi & Nafisah, 2021)	Evaluasi Dampak Penyaluran Pembiayaan Mikro Syariah pada Kesetaraan, Keadilan Gender, dan Inklusi Sosial
10.	(Maulidia & Nur, 2022)	Islamic Microfinance Institutions and Empowering Women-Based MSMEs to Reduce Poverty
11.	(DZAKIYAH, 2021)	Pemberdayaan Ekonomi Masyarakat Melalui Bank Wakaf Mikro dalam Perspektif Hukum Positif dan Maqashid Al-Syariah
12.	(Najmudin <i>et al.</i> , 2019)	Pengaruh Pondok Pesantren terhadap Pemberdayaan Ekonomi Perempuan Desa Sekitar (Studi pada Pondok Pesantren Modern Assaadah Desa Dahu, Kecamatan Cikeusal, Serang, Banten)
13.	(NOVIANTI, 2018)	Participation of Business Actor in Economic Empowerment Program on UMKM Performance
14.	(Budiarto & Maftukhatusolikah, 2019)	Pemberdayaan Ekonomi Perempuan Perspektif Gender dan Ekonomi Islam: Studi Kasus Akses Pengusaha UMKM Perempuan terhadap Lembaga Keuangan Syariah BMT di Palembang
15.	(Muna, n.d.)	Pengaruh Pembiayaan Microfinance Syariah terhadap Pemberdayaan Mitra Perempuan BMT Ciputat dan Ciputat Timur (Studi pada BMT Syahida Ikaluin dan KSU)
16.	(Solihah <i>et al.</i> , 2019)	Pengarusutamaan Gender dalam Pengembangan Sistem Pendayagunaan Zakat Melalui Modal Usaha Bergulir di Desa Sindanglaka, Kabupaten Cianjur
17.	(Ilmiah, 2020)	Peran Wanita dalam Meningkatkan Perekonomian Keluarga Melalui Koperasi Syariah Wanita Al-Amanah di Desa Balun, Kecamatan Turi, Kabupaten Lamongan
18.	(SUADA & DARWANTO, 2020)	The Role of Islamic Microfinance on Women Empowerment at Microfinance Masyarakat (Misykat) Program from Daarut Tauhid
19.	(Tsania, 2022)	Kemiskinan Keluarga di Masa Pandemi Covid-19: Studi pada Keberdayaan Perempuan dan Akses Pembiayaan Keuangan Mikro Islam

### ***Selected Quantitative Descriptive Paper***

This section describes the selected papers based on several quantitative criteria, such as publication year and type, as well as the selected approach.

**Table 2. Papers by Year of Issue**

Year	F	%
2018	2	11
2019	3	16
2020	5	26
2021	5	26
2022	2	11
n.d.	2	11
Total	19	100

Source: processed by researchers 2022

The results of the reviewed 19 selected papers, showed that the most relevant ones, including 5 papers, were published in 2020 and 2021.. The rest were evenly distributed between two issuances in 2018 and 2022. This simply implied that papers related to the theme of women economic empowerment through Islamic microfinance institutions in Indonesia are published every year.

**Table 3. Paper Review Based on Research Methods**

Method	F	%
Qualitative	16	84
Quantitative	2	11
Mixed Method	1	5
Total	19	100

Source: processed by researchers in 2022

In accordance with the reviewed results of the 19 selected papers, it was discovered that the qualitative, quantitative, and mixed methods were applied in 16 (84%), 2 (11%), and 1 (5%) research, respectively. This showed that quantitative and mixed methods was employed, hence it is an opportunity to conduct further research by applying both approaches.

**Table 4. Paper Review by Type of Publication**

Publication	F	%
Journal	11	58
Undergraduate thesis	6	32
Master thesis	2	11
Total	19	100

Source: processed by researchers in 2022

Table 4 shows that 11 (58%) of the journals were realized using the Google Scholar search engine with the help of Publish or Perish software. This was followed by 6 (32%) and 2 (11%) of the undergraduate and master theses, respectively. This result indicated that research opportunities on the investigated topic are still open to the academic discourse at the undergraduate, master, and dissertation levels. In addition, the results obtained tend to improve the quality of writing.

## DISCUSSION

Women and family poverty are often discussed, specifically in developing countries, where men still dominate access to microfinance institutions. There is a paradox that the greater the financing in financial institutions, the fewer the women. According to Hazmi and Nafisah (2021), the already heavy domestic burden becomes even heavier with the inclusion of family needs.

Several strategies have been employed to eradicate poverty. Tsania (2022) reported that women empowerment and access to Islamic microfinance institutions positively and significantly influence the level of family poverty, specifically during the Covid-19 pandemic. This is an indication that access to microfinance is a poverty alleviation strategy. In the selected literature, there are four Islamic microfinance institutions reported to run women economic empowerment programs.

### ***Women Economic Empowerment through Sharia Cooperatives***

Several literature studies showed that women economic empowerment is realized through sharia cooperatives. Irwantoro and Novindari (2019) stated that in 2017 a total of 447 Women's Cooperatives were spread across 16 sub-districts in Bojonegoro Regency. The Matra Feminization Reduction Program is an empowerment strategy intended to boost businesses. This present research reported that the obstacles encountered in developing non-banking financial institutions are due to the absence of regulations or legal umbrellas favoring women empowerment programs.

Muhyiddin Robani and Ekawaty (2019) researched how one of the women empowerment programs at the Pro-IBU Ukhuwah KJKS is realized through the Grameen Bank Syariah scheme. Empowerment activities are financed through loans and contracts with sharia institutes, weekly meetings, and training sessions organized for women association groups. Based on multiple linear regression tests, it was discovered that the material welfare

of Pro-IBU Ukhuwah KJKS members is positively influenced by financing, business duration, and education. Meanwhile, it is negatively affected by the number of family members and age. Other factors, such as attendance at weekly meetings and Islamic business ethics, had an insignificant effect. The results indicated that an increase in the material and non-material welfare of Pro-IBU Ukhuwah KJKS members can be achieved by empowering women through the Grameen Syariah scheme.

Astuti (n.d.) analyzed the success of the Grameen Bank Training Participants before and after the implementation of the Women Empowerment Training at the Mitra Dhuafa Cooperative, Cileungsi Branch. The research stated the effect of the empowerment training sessions, namely increased knowledge and skills as well as income.

Ilmiah (2020) stated that members of the Al-Amanah Women Sharia Cooperative from Balun Village, Turi District, Lamongan Regency, play an important role in the family economy. This is because they use the capital realized through the mudharabah contract. The research proved that the business tends to run smoothly compared to before the Cooperative was established in the village. The proceedings were also used to meet family needs such as paying the children's school fees, electricity bills, shopping, pay zakat, as well as offer infaq and sadaqah. In addition, it helped to improve the family's economy immensely.

Rizkina *et al.*, (2020), stated that the Women's Savings and Loans (SPP) at the Montasik Sharia UPK in the Montasik sub-district had a positive impact on the economy, by improving basic household needs, daily activities, education, and family health. The procedure for its implementation undergoes several stages, namely 1) group formation, 2) loan application, 3) selection, 4) loan, and 5) refund processes.

Maulidia and Nur (2022) reported that KSPPS Baytul Ikhtiar had been proven to alleviate poverty by providing access to capital, assisting and empowering women and their families. It adopted a modified Grameen Bank empowerment pattern with sharia principles.

### ***Women Economic Empowerment through Baitul Mal Wat Tamwil (BMT)***

According to Budiarto and Maftukhatu Solikhah (2019), BMT is a sharia-based financial institution providing women access, which is proven by the number of customers at several BMT in Palembang. In addition, it



is also known as a gender-sensitive financial institution, boosted by certain conditions. BMT has proven that the potential participation and access of female MSE entrepreneurs are relevant to financial sources.

Adelia (2020) emphasized that women usually find it difficult to access financial services, specifically those requiring some form of collateral. This tends to occur because various resources such as land, houses, and other assets are culturally under the control of men. KSPPS BMT Adil Berkah Sejahtera has an unsecured financing program for micro-business groups run by women. The financing mechanism of joint responsibility groups is subjected to several stages. This includes the financing application, analysis, selection, and disbursement stages. The benefit enjoyed by joint responsibility groups is that there is no material guarantee when applying for financing. However, those managed by the KSPPS BMT Adil Berkah Sejahtera are a product of the Murabahah Al-Wakalah contract. The financing of joint responsibility groups in this context fulfills the pillars and conditions determined by DSN MUI No: 11/DSN-MUI/VI/2000 concerning Kafalah or guarantees.

### ***Women Economic Empowerment through Zakat Management Organizations***

Solihah *et al.* (2019) stated that the involvement of women in community welfare improvement programs is an option that can be developed at this present time. According to Solihah, gender mainstreaming is the right policy because women are vulnerable to poverty crises. The business development pattern, with revolving capital from the Zakat Community Development (ZCD) program established by BAZNAS, is also an alternative. The results indicated increased improvement in the beneficiaries' abilities and potential to sustain their businesses and capital sourced from zakat funds.

Izdihar and Widiastuti (2020) stated that LAZISMU Surabaya empowers women's MSME through the Bina Mandiri Wirausaha (BMW) program. The success indicators are capital, income, sales volume, production outcome, religiosity, and almsgiving.

### ***Women Economic Empowerment through Micro Waqf Banks***

Arfin (2021) stated that the results obtained showed how the Al Muna Berkah Mandiri Micro Waqf Bank (BWM) runs the women economic empowerment program. BWM is held in collaboration with the government,

where capital assistance is obtained from the Yogyakarta OJK, which is then used to facilitate the communities around the Al Munawwir Krapyak Islamic Boarding School and members who intend to become entrepreneurs. However, three important stages are carried out, first, the process of persuasive invitation from one person to another. Second, the training process on how to run a business through weekly halaqoh. Third is the provision of assistance or the distribution of funds to customers. BWM is an alternative that can be further improved to boost small and micro-economic development, as well as have an impact on the productive ability of women in decision-making (Dewanti *et al.*, 2021).

Najmudin *et al.* (2019) examined the effect of BWM products such as ijarah, wakalah bil ujah, and pesantren on women economic empowerment. Ijarah and wakalah bil ujah partially have a significant effect on their income and economic empowerment. Meanwhile, boarding schools also positively and significantly impact women empowerment in the surrounding villages.

### ***Islamic Economists' Perspective on Women Economic Empowerment through Islamic Microfinance Institutions***

Based on the results of the Focus Group Discussion held with 20 Academic Lecturers of Islamic Economics in North Sumatra, several views were obtained regarding women economic empowerment through Islamic microfinance institutions. The descriptions of the interviewees are shown in Table 2.

**Table 5. Respondents' Description**

<b>Gender</b>		<b>F</b>	<b>%</b>
Male		10	50
Female		10	50
<b>Total</b>		<b>20</b>	<b>100</b>
<b>Age</b>		<b>F</b>	<b>%</b>
25-35 years		2	10
35-45 years		15	75
> 45 years		3	15
<b>Total</b>		<b>20</b>	<b>100</b>
<b>Occupation</b>			
Academicians		16	80
Practicioners		0	0
Academicians	and	4	20
Practicioners			

<b>Total</b>	<b>20</b>	<b>100</b>
<b>Education</b>		
Master Degree	17	85
Doctoral Degree	3	15
<b>Total</b>	<b>20</b>	<b>100</b>

The results obtained are related to the research questions. First, what obstacles are usually encountered by Women Micro-Business Actors in terms of obtaining business capital from financial institutions? Regarding the interview results, eight obstacles were mentioned, namely:

- 1) Women micro-business actors often have difficulty accessing capital due to lack of license.
- 2) Women micro-business actors generally do not like dealing with complicated and time-consuming administration.
- 3) Women micro-business actors are rarely educated in the management of business licenses.
- 4) Women micro-business actors do not know how to apply for capital financing and are reluctant to collect the requirements due to inconveniences encountered.
- 5) Women micro-business actors do not intend to borrow business capital from formal institutions for various reasons.
- 6) Women micro-business actors generally do not have adequate businesses, which serves as the basis for applying for capital from formal financial institutions.
- 7) Women micro-business actors are not informed about financial services or products from formal financial institutions.
- 8) Women micro-business actors find it difficult to access business capital due to lack of income and guarantees.

Second, what are the advantages of Islamic microfinance institutions compared to other financial establishments to empower Women Micro-Business Actors in Indonesia? There are five expert opinions regarding the advantages of Islamic microfinance institutions, namely:

- 1) Islamic microfinance institutions socially help the community because it is also responsible for managing social funds, such as zakat, infaq or alms, and waqf used to aid weak members.
- 2) Islamic microfinance institutions have used sharia systems and contracts that distinguish them from the conventional. The sharia system approach puts forward the realization of justice for women, which is extremely close to women's economic empowerment.

- 3) Islamic microfinance institutions are dependent on profit-sharing margins. This mechanism is perceived as being more profitable for customers than conventional financial institutions.
- 4) Islamic microfinance institutions do not apply the usury system and prioritize efforts to be fair to their customers.
- 5) Islamic microfinance institutions are operationally friendlier to Muslim women because there are several mechanisms that allow for unsecured capital financing.

Third, what Islamic microfinance institutions have the potential to empower Women Micro-Business Actors in Indonesia? This led to the emergence of five responses, such as:

- 1) BMT is a sharia microfinance institution that carries out the *baitul malfunction*. It entails managing the Islamic social funds, and the *baitul tamwil* or commercial function deals with the management of the members' savings funds, which are redistributed.
- 2) Sharia cooperatives, namely microfinance institutions are based on mutual assistance from, by, and for members with a joint capital system. Its existence is perceived as being able to help the surrounding communities by mobilizing their savings to increase the business activities of members.
- 3) Sharia pawnshops are microfinance institutions that operate in an Islamic manner by distributing loans based on a pawn scheme.
- 4) Zakat and Wakaf Management Organizations, including the Amil Zakat Agency (BAZ), were initiated by the government, while the Amil Zakat Institution (LAZ), is a non-governmental organization formed with permission from BAZ.

Fourth, how do the methods and schemes (*akad*) of Islamic microfinance institutions empower Women Micro-Business Actors in Indonesia? The response of Islamic economists are as follows:

- 1) *Musharakah*, *Mudharabah*, and *Murabahah* contracts are used for business development.
- 2) Providing opportunities for women to receive financial help from Islamic microfinance institutions in accordance with a joint responsibility system.
- 3) Helps to increase businesses and develop them into those that need licenses and ownership of assets, capable of being used as collateral to access greater capital in banks.

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Fifth, what are the obstacles Islamic microfinance institutions encounter in empowering Women Micro-Business Actors? Seven answers were proposed by respondents, namely:

- 1) Islamic microfinance institutions still lack socialization because the public is familiar with large financial firms such as banking and pawnshops.
- 2) These organizations have difficulty in increasing the asset ownership of their customers. This is because most are micro and small business actors who find it difficult to set aside income to purchase assets.
- 4) Customers of Islamic microfinance institutions are generally not guaranteed to apply to formal financial institutions.
- 5) The condition of the Covid-19 pandemic led to restrictions on mobility and activities outside the home, thereby making it difficult for these institutions to serve customers.
- 6) Business actors are poorly educated in using Islamic microfinance institutions' services.
- 7) Female customers are usually not motivated and lack confidence in applying for business capital assistance.

Sixth, what suggestions can be given to enable Islamic microfinance institutions to be more optimal in empowering Women Micro-Business Actors in Indonesia? The responses of the Islamic economists are as follows:

- 1) The largest segment of Islamic microfinance institutions consists of female traders or micro-business actors, hence the need to implement programs oriented toward women empowerment.
- 2) Islamic microfinance institutions need to carry out more socialization activities to create public awareness regarding Sharia Microfinance banks.
- 3) Islamic microfinance institutions should implement contracts in accordance with the sharia law, which emphasizes business cooperation.
- 4) Islamic microfinance institutions should be able to enhance public literacy in Islamic finance, specifically in relation to financial institution products for business capital.
- 5) Microfinance that targets female customers can be optimized by involving the support of their husbands to ensure that the financing process runs smoothly.

This research portrayed the strategic role of Islamic microfinance institutions in women empowerment programs. In accordance with a literature search, it was discovered that they could be empowered through these institutions considering their business segmentation. Four sharia microfinance institutions have played effective roles in this context, namely Amil Zakat, Sharia Cooperative, Baitul Mal Wat Tamwil, and Micro Waqf Banks. Amil Zakat can be used for women empowerment programs entitled to receive zakat. Productive zakat schemes empower those who do not have access to capital from formal financial institutions. The source of zakat funds is Muslim philanthropy that does not need to be returned to donors. Its utilization is one of the low-cost fund schemes used as a medium to empower women who need micro-business capital.

Micro Waqf Banks are financial institutions that do not collect funds from the public. This is because they already have cash waqf-based funding sources, as well as proven to have strong capabilities in empowering Indonesian women. Furthermore, there are 62 BWM operating in the country, and all those who use its services are female micro-business actors. According to the latest data, accumulatively 63.2 thousand female customers obtained capital venture from this establishment. It is characterized based on group financing and capacity building. The pattern of using the BWM financing scheme is one of access to empowering female micro-business actors who need small capital. In some circumstances, the absence of collateral appears to be an obstacle for these individuals to access capital from formal financial institutions. BWM fills this empty space and is a solution for micro-business actors who do not have collateral but wish to continue their businesses.

Sharia cooperatives and Baitul Mal Wat Tamwil also act as financial inclusion agents for women who want socially and economically empowered. Both institutions play similar business roles. They collect funds from members and distribute them to realize maximum benefits. Empowering women through Sharia Cooperatives and Baitul Mal Wat Tamwil on a fundraising perspective boosts their financial inclusion, which is low. On the distributive perspective, these institutions channel capital to women micro-business actors.

The combination of literature study and FGD strengthens the role of Islamic financial institutions in empowering women micro-business actors. Women, as subjects of empowerment, can be educated to use the services of Islamic microfinance institutions in accordance with their financial conditions and needs. There are a number of alternative firms in the country,

such as Sharia Cooperatives, Baitul Mal Wat Tamwil, Zakat Management Organizations, and Micro Waqf Banks. The FGD results also confirmed that certain obstacles are faced by these micro-business actors in accessing capital sources. Islamic microfinance institutions, with their respective characteristics, are perceived as a solution to obtain business capital using commercial or social contract schemes.

## CONCLUSION

The various forms of Islamic financial institutions have been proven to play certain roles in the economic empowerment of Indonesian women. A number of sharia microfinance institutions were recorded in this literature study, namely Sharia Cooperatives, Baitul Mal wat Tamwil, Zakat Management Organizations, and Micro Waqf Banks. The lecturers who were the resource persons in this research also confirmed the contribution of Islamic microfinance institutions. These institutions are considered as the solution to the difficulties encountered by these women in accessing their sources of business capital without the need to provide collateral. In addition, its availability is one of the biggest obstacles encountered. Islamic economics lecturers agreed that these institutions are suitable for women actors because of their mentoring function and the use of contracts following the type of business they run.

Several schemes can be used by Islamic microfinance institutions to empower women, such as zakat by the Amil Zakat for those that are poor. Meanwhile, those who intend to start small businesses but do not have collateral can obtain help from capital financing at Micro Waqf Banks. Empowerment solutions can be implemented through Sharia Cooperatives and Baitul Mal Wat Tamwil, to increase women's literacy and inclusion in semi-formal financial services for savings and access to business capital.

It was realized that this research has several limitations. First, the criteria for selecting literature study were sourced from the Google Scholar database for the past five years. There is a possibility that more literature can be reviewed when the time span is not limited. The selected papers are mostly national journals, besides, it is believed that the existing limitations do not reduce the ability of this research to answer the formulated problems.

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