
Islamic Microfinance and Cultural Synergy: A Catalyst for Women's Economic Independence in Sandi Morse MSMEs

S. Purnamasari^{1*}, M.Zainul², Purnama Rozak³, Huzaini⁴

^{1,2,4}MAB Banjarmasin Kalimantan Islamic University, Indonesia

³ INSIP Pemalang Institute, Indonesia

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ABSTRACT

The main agenda of the UN Sustainable Development Goals (SDGs) and the African Union (AU) Agenda 2063 is to end poverty and inequality in all its forms without exception through the economic empowerment of women. The broad geographical and cultural conditions as well as the demographic conditions of society, especially MSME actors who are dominated by women and have various levels of knowledge (education, knowledge) must be the main focus. This research answers the potential for using the Islamic financing model as a tool to increase the capacity of women's empowerment and what are the obstacles to financial independence for women in Morse Indah MSMEs. This research is qualitative research with a case study approach and descriptive analytical data analysis techniques. The results of this research are that microfinance institutions have a model in the form of providing access to financial services for women such as financing and business savings through training models in management and business development opportunities. Based on the curation of analysis and research findings, the obstacles are problems in the field of access to financing, and the encouragement of digitalization/onboarding of MSMEs for women/expansion of marketing through digitalization.

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Correspondence Address:

s.purnamasari1980@gmail.com

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1. INTRODUCTION

MSMEs during the Covid-19 pandemic and its aftermath have left serious problems with access to financing. The broad geographical conditions and also the demographic conditions of the community, especially MSME actors, whose levels of knowledge (education, knowledge) and the gap in information technology support are one of the obstacles in literacy or educating MSMEs (Sindermann, 2020).

MSMEs are the largest group of economic actors in the Indonesian economy and have been proven to be the key to protecting the national economy during the economic crisis as well as being the determinants of economic growth after the Covid 19 pandemic. Based on these conditions, through Presidential Instruction No. 6 of 2009 concerning the development of creative industries to 28 central and regional government agencies to support the creative industry development policy for 2018-2020, namely the development of economic activities based on individual creativity, skills and talents that have economic value and influence the welfare of Indonesian society. Especially when facing the issue of the world economic recession era.

Women's empowerment requires challenging patriarchal power relations which result in women having less control over material assets and intellectual resources. Kabeer states that women's empowerment requires system transformation, especially in institutions that support patriarchal structures. Patriarchy is a problem in most developing countries such as Indonesia, including the city of Banjarmasin, South Kalimantan.

The evolution of the microfinance industry has been accompanied by a significant transformation in low-income communities' access to financial services. According to Ernst and Young more than 80 percent of the poorest customers in the microfinance industry are women. However, access to formal financial services is still a big challenge for them. According to the 2017 Global Findex Report published by the World Bank Group, more than one billion women cannot access the formal financial system. In addition, the International Finance Corporation also reports that there is a financing gap of USD 300 billion for women-owned formal small businesses, and more than 70 percent of women-owned MSMEs have inadequate or no access to financial services. According to Demirguc-Kunt et al. (2017), the gender gap in account ownership both at the global level and in developing countries has not changed, at 7 percent and 9 percent respectively, over the last six years (namely 2017-2023). The same report revealed that women represent 56 percent of the total unbanked population, even though women are the main players.

Micro, Small and Medium Enterprises (MSMEs) in Indonesia have a very important role, especially in terms of creating job opportunities. This is based on the fact that the workforce in Indonesia is very abundant following the large population so that Large Businesses (UB) are unable to absorb all job seekers and the inability of large businesses to create large employment opportunities is due to the fact that in general the business group is relatively dense capital, while MSMEs are relatively labor intensive. Apart from that, in general large businesses require workers with high formal education and sufficient work experience, while for MSMEs, especially small businesses, some of their workers have low education.

This is where hard work is needed for Islamic financial institutions, including Islamic microfinance institutions. Therefore Islamic microfinance has great potential to empower women and help alleviate poverty. It can be an efficient tool for achieving SDGI, which calls for the

elimination of poverty in all its manifestations by 2030. A global survey conducted by CGAP on Islamic microfinance concluded that unlocking the potential of Islamic Microfinance could be the key to providing financial access to millions of people .

Based on the explanation and problems above, this research aims to analyze the potential for using the Islamic financing model as a tool to increase the capacity of women's empowerment and analyze barriers to financial independence for women in Morse Indah MSMEs.

1.1. Literature Review

a. Concept of Islamic/Sharia Microfinance Institutions (LKMS)

Financial institutions are business entities whose wealth is mainly in the form of financial assets or claims, such as shares and bonds. According to the Decree of the Minister of Finance of the Republic of Indonesia No. 792 of 1990, Financial Institutions are all entities whose activities are in the financial sector, collecting and financing investments. Sharia Microfinance Institutions (LKMS) are defined by ledgerwood as providing financial services for small and micro entrepreneurs and functioning as a development tool for rural communities. Microcredit is a program that provides small amounts of credit to the poorest citizens to finance projects they carry out themselves to generate income that allows them to care for themselves and their families.

From the definition above, it can be seen that LKMS has a broad scope, such as savings, loans and payment services, which are usually managed simply. As a savings institution, MFIs can collect public funds in many MFIs, fund-raising activities (savings) are a prerequisite for credit. As a lending institution, MFIs function as institutions that provide various loan services, both for productive activities and for consumptive activities. Apart from that, LKMS also functions as an intermediary institution in economic activities. According to the Asian Development Bank (ADB), MFIs (micro finance) are institutions that provide deposits, credit (loans), payments for various types of service transactions (payment services) and money transfers aimed at the poor and small entrepreneurs. Meanwhile, MFIs can take the form of: formal institutions such as village banks and cooperatives, semi-formal institutions such as non-governmental organizations and informal sources such as money lenders. According to Marguiret Robinson, loans in the form of micro credit are a powerful effort to overcome poverty. This is based on the fact that among poor people, there are actually different classifications between them, which include: first, the extreme poor, namely those who have no income and no production activities. Second, people who are categorized as poor but have economic activities (economically active working poor). Third, people with low income (lower income), namely those who have income, even though it is not much. The approach taken to overcome poverty in each classification is certainly different. For this reason, appropriate policies are needed to overcome this.

b. Concept of Micro, Small and Medium Enterprises (MSMEs)

Micro, small and medium enterprises are the main players in economic activities in Indonesia. The future of development lies in the ability of micro, small and medium enterprises to develop independently. The contribution of micro, small and medium enterprises to GDP in Indonesia in 1999 was around 60%, with details of 42% being the contribution of small and micro enterprises, and 18% being medium enterprises.

In Indonesia, the definition of MSMEs is regulated in Law of the Republic of Indonesia No. 20 of 2008 concerning MSMEs. 6 Article 1 of this Law states that micro businesses are productive businesses owned by individuals and/or individual business entities that have the criteria for micro businesses as regulated. in the Law.7 Small businesses are productive economic businesses that stand alone, carried out by individuals or business entities that are opened as subsidiaries or non-subsidiaries that are owned, controlled or become part, either directly or indirectly, of medium-sized businesses or large businesses that meet the criteria for small businesses as intended in the Law. 8 Meanwhile, micro businesses are stand-alone productive economic businesses carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled or become part of either directly or indirectly, from micro businesses, small businesses or large businesses that meet the criteria for micro businesses as intended in the Law.9 With the following criteria:

1. Micro businesses are business units that have assets of a maximum of IDR 50 million excluding land and buildings where the business is located with annual sales proceeds of a maximum of IDR 300 million.
2. Small businesses with an asset value of more than Rp. 50 million up to a maximum of IDR 500 million excluding land and buildings where the business has annual sales proceeds of more than IDR 300 million up to a maximum of IDR 2,500,000.00, and
3. Medium businesses are companies with a net worth of more than IDR 500 million to a maximum of IDR 100 billion with annual sales of more than IDR 2.5 billion to a maximum of IDR 50 billion.10

The characteristics of MSMEs according to Pramiyanti are as follows:

1. Has a small scale, both model, use of labor and market orientation.
2. Many are located in rural areas, small towns or on the outskirts of large cities.
3. Personal or family owned business status.
4. The source of labor comes from the socio-cultural environment and is recruited through apprenticeship patterns or through third parties.
5. The work pattern is often part time or as a side business to other activities.
6. Has limited ability to adopt business processing technology and simple administration.
7. The capital structure is very limited and lacks working capital and is very dependent on capital sources and personal environment.
8. The company's strategy is greatly influenced by environmental conditions which often change precisely.

c. Women's Empowerment in MSMEs

The definition of empowerment according to Mubyarto comes from the word power which means power or strength. Empowerment is an effort that builds community power by encouraging, motivating and raising awareness of their potential and developing it. The principle of empowering MSMEs according to law no. 20 of 2008, namely:

1. Growing independence, togetherness and entrepreneurship for MSMEs to work on their own initiative.
2. Realization of public policies that are transparent, accountable and fair
3. Regional potential-based and market-oriented business development in accordance with MSME competencies.

4. Increasing the competitiveness of MSMEs.
5. Implementation of planning, implementation and control in an integrated manner.
The objectives of empowering MSMEs according to Law NO 20 of 2008 are:
 1. Realizing a balanced national economic structure. Developing, and fair.
 2. Growing and developing the capabilities of MSMEs to become strong and independent businesses.
 3. Increasing the role of MSMEs in regional development, job creation, equal distribution of income, economic growth, alleviation of people and poverty.

According to Sulistiyani, the concept of women's empowerment explains that etymologically, empowerment comes from the basic word "daya" which means strength or ability. So empowerment is interpreted as a process of obtaining power, strength or ability, and/or giving power, strength or ability from parties who have power to parties who lack or do not yet have power. Meanwhile, according to Tutik Sulistyowati in her journal quoted from the Ministry of Women's Empowerment (Kemen PP) that women's empowerment is an effort to enable women to gain access and control over resources, economic, political, social, cultural, so that women can organize themselves and increase their sense of self-control. confident to be able to play a role and actively participate in solving problems, so as to build abilities and self-concept (Tutik, 2015).

Indicators of the success of women's empowerment are characterized by the following 3 indicators (Siti Nur Kodariyah, 2015): a. Output indicators are characterized by the implementation of women's empowerment. b. The income indicator is characterized by women who have been empowered and are able to try to support the economy according to their skills. c. Impact indicators are characterized by empowered women who are able to live a decent life, are able to develop businesses, organize or join society and form other women to develop their skills. There are two characteristics of women's empowerment. First, as a reflection of emancipatory interests that encourage society to participate collectively in development. Second, as a process of involving individuals or society in the process of enlightenment, awareness and collective organization so that they can participate (Zakiah, 2018).

2. METHODS

This research is categorized as a qualitative research type. Qualitative research is research that aims to understand the phenomena experienced by research subjects holistically and by means of descriptions in a special natural context and by using various natural methods (Lexy J. Moleong, 2015).

In this study, the research subjects were 10 members of the Morse Indah Pekauman UMKM, South Banjarmasin, who also worked in sharia microfinance institutions at sharia pawnshops.

Researchers in carrying out this research used the following data collection techniques: observation, documentation, interviews. The data was obtained and then analyzed descriptively qualitatively. The interview data was obtained directly from the managers of Morse Indah South Banjarmasin MSMEs and employees of sharia microfinance institutions, in this case sharia pawnshops. To analyze information, the following stages are carried out: collecting information, reducing data, presenting data, and drawing conclusions (Sandi Suyoto, 2015).

3. RESULTS AND DISCUSSION

3.1. Potential use of the Islamic financing model as a tool to increase the capacity of women's empowerment in Morse Indah MSMEs

The government together with various related elements have attempted to realize national resilience through systematic, coordinated, comprehensive and holistic steps. One of the sectors that supports national economic resilience is MSMEs. If you look at the ratio, the number is very large, reaching 64.2 million and contributing to GDP by 60.51% (worth IDR 9,580 trillion), the ability to absorb 96.92% of the total existing workforce, and can collect up to 60.42% of the total investment.

A survey conducted by BPS (BPS, 2020) shows that there are various obstacles faced by MSMEs during the pandemic, including 62.21% of Micro and Small Enterprises (UMK) facing problems in the financial sector, 39.61% experiencing delays in tax payments, and 35,07% need business assistance. Meanwhile, UNDP & LPEM UI research (2021) on 1,180 MSMEs found that 77% of MSMEs experienced a decrease in income and 97% experienced a decrease in assets. Therefore, the Indonesian Government has taken several strategic policies, including enacting Law no. 11/2020 concerning Job Creation; PP No. 7/2021 concerning Convenience, Protection and Empowerment of MSMEs; and PP no. 5/2021 concerning Implementation of Risk-Based Business Licensing. As well as the PEN Policy Support for MSMEs, Gernas BBI, and also the MSME Export Acceleration Policy. Through PP Number 7 of 2021, especially in the financing sector, credit guarantee clauses (Article 80), financing assistance for the MSME cluster (Article 72), and special assistance for MSMEs (Article 128) have been outlined. On the other hand, in PP Number 5 of 2021 the government has also regulated licensing based on risk, namely low, medium and high.

Meanwhile, in the PEN program stimulus sector, up to December 22 2021, the total realization of PEN Support for MSMEs was IDR 78.71 T or 81.81% (of the budget allocation of IDR 96.21 T) with a total of 34.14 debtors/MSMEs million. Regarding the PEN program, Bappenas (2021) revealed that this program is very significant in supporting the resilience of MSMEs. In the Gernas BBI policy sector, empirically it has been able to encourage MSME onboarding (since it was launched in mid-2020, more than 8 million MSMEs have been onboarded to the digital market). The Gernas BBI program does not only focus on the onboarding sector, but also includes the implementation of an integrated coaching and training program for MSMEs involving 17 Ministries and Institutions, top local brand support programs, coaching, mentoring, collaboration and marketplace sharing. Apart from that, there is also a support program from the Government Goods/Services Procurement Policy Institute (LKPP) in the form of a special page for MSMEs and an e-catalog for MSMEs and also a Bank Indonesia (BI) program in the form of expanding the use of QRIS (Quick Response Code Indonesian Standard), which is the standard National QR code to facilitate payments.

On the export side, the government has encouraged ease of processing and also expanded assistance to MSMEs. In this export scope, the Government through the Indonesian Export Financing Institute (LPEI) has implemented for Micro Enterprises a ceiling of up to. IDR 5 billion (KMKE allocation: Export Working Capital Credit and/or KIE: Export Investment Credit); Small Business with ceiling up to. IDR 25 billion (maximum KMKE allocation IDR 15 billion; KIE maximum IDR 10 billion); and Medium Enterprises with a ceiling of up to. IDR 50 M (KMKE

allocation maximum IDR 25 M; KIE maximum IDR 25 M). Apart from that, the Government has also provided a recovery stimulus for export SMEs worth IDR 1 trillion through the Indonesian Export Financing Institute (LPEI), with a loan ceiling of up to IDR 15 billion per debtor and an interest rate of six percent a year.

MSMEs (Micro, Small and Medium Enterprises) are self-owned productive businesses or business entities regulated in Law No. 28 of 2008 and have an important role, especially in Indonesia. The development of the Micro, Small and Medium Enterprises (MSME) sector so far has shown very good progress, it is natural that this sector is the focus of sharia banking financing. The movement of the MSME sector is vital for creating economic growth and employment, especially opening up new jobs. The development of MSMEs (micro, small and medium enterprises) in the form of increasing capital or increasing types of business will have an impact on increasing income and income levels, which will directly reduce poverty rates and reduce unemployment rates. This has led to the opening of new business fields due to increased business capital from economic actors (Kusuma and Darma, 2020; Arianti and Darma, 2019; Ferdiana and Darma, 2019; Handayani and Darma, 2018; Patni and Darma, 2017; Premawati and Darma, 2017).

Based on this, microfinance institutions, both conventional and sharia, are present by offering their products, both in collecting funds and distributing funds, which have a great influence on the economic development of the community, as well as members of MSMEs, especially women, at Sandi Morse MSMEs, Pekauman District, South Banjarmasin, who are able to alleviate poverty and community economic empowerment. Sharia Microfinance Institution by providing capital assistance to small and lower middle class communities saving and providing financing to women members of MSMEs who need business capital to develop their businesses.

Sharia financial institutions (LKS) are institutions that in their activities of collecting funds and in the context of distributing funds charge fees or basic sharia principles, namely buying and selling and profit sharing (Karim, 2017). The role of Sharia Financial Institutions according to Sudarsono (Sudarsono, 2018) is to create a fair and efficient financial system, so every type and layer of society must have their desires in investing and doing business accommodating, according to their abilities and desires. The Islamic financial system must facilitate this. This is in accordance with Islamic teachings which are intended for all nature and the principle of working according to ability.

As for empowerment, according to Mubyarto (Mubyarto, 2020), it comes from the word power, which means power or strength. Empowerment is an effort that builds community power by encouraging, motivating and raising awareness of their potential and developing it. Empowering MSMEs should not make MSME businesses dependent on charity programs, but whatever they enjoy must be produced by their own efforts and the final result: making MSMEs independent, by encouraging, motivating and raising awareness of their potential and strive to develop it.

Empowering women is one strategic way to increase women's potential and increase the role of women in both the public and domestic domains. In the economic sector, more emphasis is placed on women's empowerment to improve their ability to manage businesses. There are 5 important steps that need to be considered in efforts to develop entrepreneurial skills for women. According to the IMF quoted by Herri, et al, these steps are: a. Helping and encouraging women to build and develop their own competent knowledge, through various training programs, b.

Helping women in business strategy and product marketing, c. Providing an understanding of government regulations and regulations related to the legality of the business world, d. Encourage and assist women to be able to use information and communication technology optimally, e. Creating micro businesses/women's micro business networks/business training forums.

The empowerment strategy is known as the Gender and Development (GAD) approach concept. This concept is based on an approach regarding the importance of the involvement of women and men in the development process. This approach focuses more on gender issues and does not focus solely on women's problems. The GAD approach is the only approach to women in development that looks at all aspects of women's lives and all the work that women do, whether productive, reproductive, private or public work and rejects any attempts to undervalue the work of maintaining the family and household. This approach is known as empowerment.

MSMEs in the Indonesian economy are a national priority in accelerating development, this is because MSMEs can absorb large numbers of workers and create many jobs, thereby minimizing unemployment and poverty. The majority of MSMEs are managed by women, this is proven by the percentage of female MSMEs that dominate in Indonesia, namely 64.5% or around 37 MSMEs which are projected to have a total value of 135 billion rupiah in 2025 (Erbi, 2023). However, many female MSMEs are still hampered by access to capital, only around 7% of women are able to access increased working capital. This certainly needs to be paid attention to, in the context of empowering women's MSMEs to reduce poverty and increase national economic development (Nawawi, et al., 2022). Sharia microfinance institutions provide access to business capital for women MSMEs to develop their businesses, because there is a mentoring system and contracts that are tailored to the business they run. In addition, sharia microfinance institutions provide easy access to finance for female MSMEs who do not have guarantees in obtaining financing.

Sharia microfinance activities are in line with Islamic principles of justice and socio-economics, Islamic microfinance seeks to improve community welfare by providing financing that is in accordance with Sharia, especially for lower middle class communities who are financially marginalized. Sharia microfinance institutions are a profitable financing solution for business actors to access capital and skills (Selim et al., 2020). Sharia microfinance is an Islamic approach in overcoming poverty, and the main goal of sharia microfinance is *maqashid syariah* (KNEKS, 2019). The ultimate goal of Islamic microfinance is to achieve *maqashid al-Sharia* (a higher goal of Islamic law), Islamic microfinance primarily serves the interests of all humans with justice and honesty. and a balanced society. Sharia microfinance institutions were formed with the aim of avoiding usury and achieving social justice and community welfare.

One of the efforts carried out by sharia microfinance institutions is an effort to create conditions for social welfare. One of the conditions of social welfare is the existence of empowerment or power. In this research, we will discuss the forms of empowerment carried out by microfinance institutions, especially towards women as the main targets of these institutions. The models are:

a. Conditional field survey

The form of financing carried out in sharia microfinance institutions is sharia pawnshops, one of which is conditional or periodic field surveys. The purpose of this conditional field survey is a field survey in which the sharia microfinance institution carries out a first field survey before providing financing to prospective financing customers, the second is a survey when the customer

experiences bad credit problems, the sharia microfinance institution carries out regular payments, submits an auction and restructuring or rescheduling installments according to the latest customer capabilities.

b. Providing financing

A form of empowerment carried out by sharia microfinance institutions apart from conditional surveys is providing financing to customers in the form of money. The type of financing that is often sought after by the Lumajang community is using murabahah financing. Providing financing in accordance with the MSME classification. Initially, this microcredit program was aimed at alleviating poverty as a whole without separating gender, but over the course of the microcredit program it became synonymous with women because the number of participants taking part in this program was dominated by women. Providing microcredit is an effective way to reach groups of women who do not have the capital resources to become empowered and independent. Starting from economic independence, it is hoped that it can raise the status of women in other aspects such as decision making, health and education.

The role of sharia microfinance institutions in helping women in SMEs in Sandi Morse in terms of funding business development and in consumer activities makes these institutions have their own role in community life. In fact, the role of sharia microfinance institutions themselves is to help empower the progress of MSME businesses through financing support with competitive profit sharing and support the development of MSME businesses through programs, such as Ramadhan blessings with very light profit/margin sharing, end of year programs also light profit sharing and also finance the renovation of business premises, help provide business infrastructure, save and so on.

In looking at the aspect of women's empowerment related to microfinance, it is necessary to look at the three paradigms that surround it (Mayoux, 2020):

1. Financial Self-sustainability paradigm: in this paradigm it is assumed that increasing women's access to microfinance services will automatically lead to economic, welfare and socio-political empowerment of an individual.
2. Poverty Alleviation paradigm: this paradigm assumes that increasing women's access to microfinance (along with other interventions to improve household welfare) will increase family income which translates into increasing women's welfare and providing changes to wider gender inequality.
3. Feminist empowerment paradigm: the main focus is on gender equality and women's human rights. Microfinance is seen as an entry point to a larger strategy in empowering women's economic and social political empowerment. The main focus is gender awareness where a program seeks to organize women and men to challenge and change gender discrimination. Some also have legal and advocacy support.

If we look at the paradigm explained by Mayoux (2020), it can be seen that the paradigm used by sharia microfinance institutions is more about financial self-sustainability, where sharia microfinance institutions emphasize empowerment in the development of the business sector they run. This paradigm assumes that the development of the business being run will automatically increase family welfare and women's participation in broader decision making. Sharia Microfinance Institutions provide an alternative for MSMEs in meeting capital needs, apart from that, microfinance institutions also provide access for women to open businesses by providing training in management and business development opportunities. By increasing the capacity of

the business carried out, it is hoped that empowerment can increase in other ways, such as increasing income, forming discipline in saving, increasing knowledge and skills in entrepreneurship and in managing daily finances.

3.2. Barriers to Financial Independence for Women in Morse Indah MSMEs

According to Tutik Sulistyowati in her journal quoted from the Ministry of Women's Empowerment (Kemen PP) that women's empowerment is an effort to enable women to gain access and control over resources, economic, political, social, cultural, so that women can organize themselves and increase their self-confidence to able to play a role and participate actively in solving problems, so as to build abilities and self-concept (Tutik Sulistyowati, 2015). According to Siti Nur Kodariyah, quoted from Miran's statement in a study entitled "Segregation and Women's Poverty in a Glimmer of Light towards Women's Welfare". Suggests that the indicators of success in women's empowerment are marked by the following 3 indicators (Siti Nurkodariyah, 2015):

- a. Output indicators are characterized by the implementation of women's empowerment.
- b. The income indicator is characterized by women who have been empowered and are able to try to support the economy according to their skills.
- c. Impact indicators are characterized by empowered women who are able to live a decent life, are able to develop businesses, organize or join society and form other women to develop their skills.

There are two characteristics of women's empowerment. First, as a reflection of emancipatory interests that encourage society to participate collectively in development. Second, as a process of involving individuals or society in the process of enlightenment, awareness and collective organization so that they can participate (Zakiyah, 2018). Based on the curation of analysis and research findings, the main problems of the obstacles are problems in the field of access to financing, and the encouragement of digitalization/onboarding for MSMEs. Bappenas and the University of Indonesia (2021) in their research also revealed that many SMEs experience information opacity (information darkness) in gaining access to financing. Access to finance still tends to be considered complicated and difficult, and literacy is also minimal. In this case, Rofikoh (2021) in his research stated that there are several indicators that cause MSMEs to have difficulty accessing formal financing, namely information opacity, information asymmetry, the condition of the granularity of MSME financing which is spread out in small pieces, and increasing monitoring costs. In line with the results of Rofiqoh's research, data from the OJK (2021) reveals that 74% of MSMEs do not have access to fintech and Indonesia's financial inclusion index of 76.9% is still relatively low compared to several neighboring countries. Apart from this, MSMEs are also faced with a lack of financing literacy which has an impact on their ignorance of various facilitations for access to financing, even access to financing from the government such as People's Business Credit (KUR)/facing difficulties in accessing finance (Susan et al, 2021).

The results of the curation of the problems faced by the majority of MSMEs apart from the access to financing sector (as described above) is the problem of declining MSME income due to lack of widespread marketing access. This expansion of marketing access can be solved, among other things, through a digitalization/onboarding program for MSMEs.

CONCLUSION

Looking at the various data and facts as described, the conclusion is that Microfinance institutions have a model form of providing access for women to open businesses by providing training in management and business development opportunities. Thus, the form of empowerment carried out by microfinance institutions is to open access for women in poor communities, especially women, to be able to access services. finances such as financing and savings. Empowered in this case means that they have access to the resources needed so that they can improve their business.

Based on the curation of analysis and research findings, the main problems of the obstacles are problems in the field of access to financing, and the encouragement of digitalization/onboarding of MSMEs for women/marketing expansion through digitalization. In this regard, to solve and leverage women's competitiveness in MSMEs, several policies are needed as follows: To leverage the ease of MSMEs in accessing financing.

Suggestion:

- a. Government policy is needed in terms of:
 1. Expanding literacy and education through optimizing the role of coaches/counselors in all ministries/institutions to participate in disseminating/literating the facilitation of access to financing for MSME players;
 2. Creating a financing scheme for MSMEs that is appropriate, easy, cheap and fast. This can be done with a policy of developing the role of the LPDB and whether the Village Budget can be encouraged to bridge this. Apart from that, also through utilizing private sector contributions such as Fintech;
 3. Strengthening policies that provide more linkage between the government, regional government, private sector and various related stakeholders to create easy access to financing for MSMEs.

- b. To leverage marketing expansion through digitalization of MSMEs, government policies are needed in terms of:
 1. Encourage the acceleration of contributions from various parties including ministries/institutions, regional governments and the private sector, especially digital platforms to help facilitate MSMEs so that they can onboarding.
 2. Encourage relevant ministries to expand internet network access and develop system applications (management, finance, etc.) to encourage increased competitiveness of MSMEs.
 3. Encourage the acceleration of the development of a Single Data Base as mandated by Law no. 11 of 2020 and PP no. 7 of 2021.
 4. Encourage the realization of personal data protection, including for MSMEs, through cyber security programs.
 5. Encourage the acceleration of systems and mechanisms to facilitate MSME exports through systematic methods (foster fathers, train of trainers, and so on, including building information technology-based systems.

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