

# Community-Based Sharia Financial Inclusion for Women's Empowerment: Evidence from the Barokah Nur Muflain Yasinan Congregation

Nur Kasanah,<sup>1\*</sup> Diah Sohnya Pratika<sup>2</sup>

<sup>1,2</sup> Universitas Islam Negeri (UIN) Kiai Ageng Muhammad Besari Ponorogo

Email: [nur.febi@uinponorogo.ac.id](mailto:nur.febi@uinponorogo.ac.id)\*, [diahsohnya@gmail.com](mailto:diahsohnya@gmail.com)

## Abstract

*Financial inclusion is a condition in which everyone has fair and equitable access to a wide range of financial products and services, including sharia-compliant ones. The use of Islamic finance has not been optimal in empowering rural women because there is still limited access to inclusive Islamic financial institutions. This study aims to analyze the role of Islamic financial inclusion in increasing women's economic empowerment through community-based financial practices. This qualitative, phenomenological research explores the role of Islamic financial inclusion in advancing women's economic empowerment through community-based financial practices. The locus of this research is KSPPS Barokah Nur Muttain, Tebon Village, West District, Magetan Regency, serving as a model of sharia financial inclusion for the Yasinan Barokah Nur Muttain pilgrim community. Data were obtained through participatory observations and in-depth interviews with cooperative administrators, Yasinan Barokah Nur Muttain congregational mothers, community leaders, and related officials at the Cooperatives and MSEs Office, as well as documentation on the performance of KSPPS Barokah Nur Muttain. The study results show that implementing sharia financial inclusion within the Yasinan congregation community at KSPPS Barokah Nur Muttain effectively supports women's empowerment by integrating access to sharia financing and spiritual activities. The supporting factors include religious values, solidarity, and trust among members, while the main challenges are limited capital and low financial literacy. This Islamic financial inclusion empowers 45 women, as seen in improved family finances, the development of small businesses, and strengthened social networks through Yasinan activities. This research is expected to create an effective Islamic financial inclusion model for women's empowerment at the local level.*

**Keywords:** Sharia Financial Inclusion, Yasinan Congregation, Sharia Cooperatives, Empowerment, Women

## Introduction

Islamic financial inclusion is a strategic step toward supporting sustainable economic development grounded in principles of justice, sustainability, and balance. In the Islamic financial system, access to finance is intended to improve economic welfare and advance social justice.<sup>1</sup> Women's groups, especially in rural areas, are in focus due to their central role in household and community economies.<sup>2</sup> Through access to Sharia financing, women can develop micro businesses, gain financial literacy, and achieve economic independence. This approach also positively impacts family welfare, including education and health. In line with Sharia values, financial inclusion creates a fairer distribution of wealth and reduces economic disparities.

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<sup>1</sup> Firman Menne, et. al., "Optimizing the Financial Performance of SMEs Based on Sharia Economy: Perspective of Economic Business Sustainability and Open Innovation," *Journal of Open Innovation: Technology, Market, and Complexity*, Vol. 8, No. 1 (2022), 18, <https://doi.org/10.3390/joitmc8010018>.

<sup>2</sup> Huanwen Liu, Yanfang Dong, and Changfu Luo, "Why Do Women Bear More? The Impact of Energy Poverty on Son Preference in Chinese Rural Households," *Energy Policy*, No. 195 (2024), 114405, <https://doi.org/10.1016/j.enpol.2024.114405>.

Islamic finance has unique characteristics, such as the prohibition of usury, the principle of partnership, and fairness in transactions, which make it a strategic tool for women's empowerment. These financial institutions can help women develop sustainable micro and small businesses by providing financing aligned with Sharia values. In addition, inclusive Islamic financial institutions often offer financial literacy education, helping women better understand financial management. The economic skills training provided also helps women increase productivity and diversify sources of income. This approach's positive impact can be seen in improving women's financial independence, which contributes directly to the well-being of families and communities. This model is economically relevant and supports sustainable development goals by addressing gender gaps in financial access.<sup>3</sup>

The 2023 National Survey shows that women's financial literacy is 67%. It is 64% for men, with financial inclusion at 76% for women and 74% for men.<sup>4</sup> Although women have great potential to drive economic development, they often face various structural and social barriers in accessing financial services. These barriers include low financial literacy, limited access to formal financial institutions in rural areas, and social norms that limit women's roles in the economic sector. This condition has led many women, especially in remote areas, to rely on informal, unsustainable financial mechanisms. In Islamic finance, improving women's financial literacy is crucial to strengthening their understanding of sharia-based financial products. With adequate literacy, women can use Sharia financing to support micro businesses and other productive economic activities. Women's Sharia-based financial inclusion empowers them economically and fosters social balance and economic sustainability at the family and community levels.

Islamic financial inclusion provides access to Islamic financing, allowing women to start and grow their own businesses. This aligns with previous research showing that Islamic financial institutions provide financing and financial literacy training that help women manage funds more effectively.<sup>5</sup> Financial inclusion also affects family financial planning and management. This allows them to create a more stable source of income. In addition, including Islamic finance strengthens women's position in families and society by giving them control over economic resources. The impact not only improves women's personal well-being but also enhances the family's and the community's economies.<sup>6</sup>

In Tebon Village, West District, Magetan Regency, the Barokah Nur Mutta'in Sharia Financing Savings and Loan Cooperative (KSPPS) served as a concrete example

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<sup>3</sup> Toto Sukarnoto, et. al., "Aksesibilitas Keuangan Mikro Syariah Dengan Kewirausahaan Melalui Pemberdayaan Perempuan Wirausaha Pedesaan," *Ecopreneur: Journal of Sharia Economics Study Program*, Vol. 5, No. 01, (2024), 95–104.

<sup>4</sup> ojk.go.id, "Pentingnya Literasi Keuangan Perempuan Bagi Perekonomian Keluarga Dan Negara," 2024, <https://ojk.go.id/id/berita-dan-kegiatan/siaran-pers/Pages/Pentingnya-Literasi-Kuangan-Perempuan-Bagi-Perekonomian-Keluarga-dan-Negara.aspx>.

<sup>5</sup> Faiful Hazmi and Zahrotun Nafisah, "Evaluasi Dampak Penyaluran Pembiayaan Mikro Syariah Pada Kesetaraan, Keadilan Gender Dan Inklusi Sosial," *Jurnal Tabarru': Islamic Banking and Finance*, Vol. 4, No. 1 (2021), 99–112, [https://doi.org/10.25299/jtb.2021.vol4\(1\).6268](https://doi.org/10.25299/jtb.2021.vol4(1).6268).

<sup>6</sup> Alghifari Mahdi Igamo, et. al., "Factors Influencing Fintech Adoption for Women in the Post-Covid-19 Pandemic," *Journal of Open Innovation: Technology, Market, and Complexity*, Vol. 10, No. 1 (2024), 100236, <https://doi.org/10.1016/j.joitmc.2024.100236>.

of community-based Islamic financial inclusion. According to Wiwik Utami, KSPPS Barokah Nur Muttain, a sharia microfinance institution, was founded and developed by women members of the Yasinan Barokah Nur Muttain congregation. The initial funds came from a 2016 grant from the East Java Provincial Government. Then 20 congregation members engaged in socialization with other congregational mothers to join and support the principles of us, by us, for us. This method worked well, so the number of Yasinan pilgrims who joined continued to grow, and there has been no negative credit to date.

This community-based approach provides easy, flexible Sharia principles supporting women's independence. The allocation of zakai infak sedekah (ZIS) funds and a very small profit-sharing maximum of only 0.5% of the financing value contribute to the sustainability of this KSPPS. With the support of KSPPS sharia financing, Yasinan congregation members can start small businesses, manage funds more effectively, and contribute to improving the family economy. KSPPS Barokah Nur Muttain not only provides access to financing but also supports the strengthening of members' economies through the distribution of members' food products, financial literacy programs by related agencies, and, of course, religious strengthening through Yasinan's routine activities. This confirms the potential of Islamic financial inclusion to create sustainable economic, social, and spiritual impacts.

This study examines the effectiveness of the community-based Islamic financial inclusion model in empowering women in Tebon Village, West District, Magetan Regency. In light of the Yasinan congregation's approach by KSPPS Barokah

Nur Muttain, this study holistically explores the adaptation of Islamic financial inclusion to local needs and its role in women's empowerment. This research also integrates analyses of economic, social, and religious values. This is relevant to the government's agenda in increasing Islamic financial inclusion as part of the SDGs. This research is expected to provide practical recommendations for creating a more inclusive community-based financial inclusion model and to enrich the literature with a multidisciplinary perspective that connects Islamic economics, women's empowerment, and community development. This study has practical and academic value in supporting the sustainable development of Islamic financial inclusion.

## Research Methods

This study employs a qualitative, phenomenological approach to explore the role of Islamic financial inclusion in women's economic empowerment. This approach was chosen because it revealed the meaning, subjective experiences, and social dynamics of the mothers of the Yasinan Barokah Nur Muttain congregation, who are part of the KSPPS Barokah Nur Muttain. The research focuses on understanding community-based Islamic financial inclusion practices and their impact on women's economic, social, and spiritual aspects.

The data used consists of primary and secondary data. Primary data was obtained through participatory observation, in-depth interviews, and documentation involving cooperative administrators, Yasinan congregation members, community leaders, and Cooperative and MSE Office officials. Secondary data is obtained

from official cooperative documents, performance reports, administrative records, and relevant literature. Data collection techniques focus on observing cooperative and Yasinan activities, conducting interviews with key informants, and collecting cooperative administrative documents.

Data analysis is conducted descriptively and qualitatively in three main stages: data reduction, data presentation, and conclusion. The collected data was analyzed to identify the main themes related to Sharia financing and women's empowerment. Data validity is maintained through triangulation of methods, sources, time, and peer discussions to minimize interpretation bias. The analysis results are expected to comprehensively describe the contribution of community-based cooperatives in supporting women's economic independence.

## Result and Discussion

### *Implementation of Sharia Financial Inclusion Based on the Yasinan Community at KSPPS Barokah Nur Mutain for Women's Empowerment*

According to the study results, implementing Islamic financial inclusion at KSPPS Barokah Nur Mutain involves several important aspects, including the recruitment mechanism and the reporting and accountability system. The following presents the research findings regarding the program's implementation.

**Table 1. Implementation of Sharia Financial Inclusion Based on Yasinan Congregation**

Aspects Examined	Key Findings
Member Recruitment	The selection process is simple, the main requirements are that members of the Yasinan congregation and the recommendation of the management.
Types of Financial Services	Savings, Sharia financing ( <i>qardhul hasan</i> and <i>mudharabah</i> ), and voluntary savings.
Member Engagement	The majority are actively present in RAT, Yasinan, skills and economics training.
Financing Distribution Mechanism	Deliberation system, without collateral, sharia contracts; A light installment.
Mentoring & Training	Business skills training, financial literacy, and routine household management.
The Role of Yasinan	Strengthening brotherhood, mutual trust, and strengthening social commitment.
Reporting & Accountability System	Annual RAT reports, and quarterly evaluations, are open to all members.
Routine Activities & Member Participation	Weekly Yasinan, annual RAT, monthly training, participation rate $\geq 75\%$ .
Community Contribution	Voluntary support in the form of manpower, ideas, social funds, and event logistics.
Internal Evaluation System	Periodic evaluation through regular deliberation, daily supervision by the management and supervisory team.
Key Challenges	Limited capital, financial literacy gap, and weak supervision of members' businesses.

Aspects Examined	Key Findings
Synergy with Religious and Community Leaders	Very closely, Yasinan became the main space for socio-religious collaboration.
Specific Sharia Approach	The contract of <i>qardhul hasan</i> and <i>mudharabah</i> ; prohibition of usury; principles of justice and help.
Member Responses to the Service	Generally very satisfied, the service is considered friendly, transparent, and family-oriented.
Supporting Factors for Sustainability	Commitment of the management, congregation solidarity, ease of access, and spiritual attachment.

Source: Data by Researchers

The implementation of community-based Islamic financial inclusion at KSPPS Barokah Nur Muttain exhibits a distinctive pattern, firmly rooted in collective spirituality, reflected in the mechanism for recruiting cooperative members and carried out informally through the Yasinan congregation forum. This recruitment pattern emphasizes that the similarity of religious activities symbolizes togetherness and social capital that strengthen mutual trust among cooperative members, thereby creating a conducive environment for building community-based economic solidarity. These findings are theoretically consistent with community-based finance, which emphasizes that the success of community-based financial institutions, particularly in the Islamic micro sector, depends on the strength of their members' close social networks. In this context, spirituality is the primary bond that strengthens members' loyalty, enabling the cooperative to survive and develop sustainably. The experience at KSPPS Barokah Nur Muttain shows that communities built on religious grounds have their own strengths in creating a sense of security and trust, which is difficult to find in conventional, generally individualistic financial institutions.

In terms of services, this cooperative offers a variety of sharia-compliant financial products, including regular savings, unsecured financing, and voluntary deposits, all designed to meet members' needs while adhering to sharia principles. The service demonstrates the tangible implementation of the principles of financial inclusion regulated by Bank Indonesia, especially in terms of service accessibility, affordability, and compliance with sharia principles that avoid elements of usury and injustice. The high involvement of women members in cooperative activities, such as financial literacy training and regular meetings, shows that this cooperative not only carries out its function as a financial institution, but also plays a role as a center for women's economic empowerment that is oriented towards increasing the capacity and economic independence of members.<sup>7</sup> These findings reinforce the theory of women's economic empowerment, which emphasizes the importance of women's access to economic resources and increased control over financial decision-making as a strategic step to achieve sustainable economic empowerment. In the context of this cooperative, women's active involvement indicates the success of financial

<sup>7</sup> Joanna Ledgerwood Joanna Ledgerwood and Kim Wilson Kim Wilson, "Community-Based Financial Services: A Spectrum of Providers," *Enterprise Development & Microfinance*, Vol. 24, No. 2 (2013), 91–103, <https://doi.org/10.3362/1755-1986.2013.010>.

inclusion programs that are both economic and socio-cultural. This phenomenon demonstrates that community-based sharia cooperatives have significant potential to serve as an effective and sustainable instrument of women's empowerment.

Yasinan's routine activities organized by cooperatives serve as a spiritual medium and an effective informal forum for strengthening social solidarity and facilitating communication among members, thereby fostering close and supportive relationships across diverse economic activities. Integrating religious activities with cooperative economic activities affirms research findings that collective spiritual activities can strengthen social capital and increase the effectiveness of economic empowerment programs at the community level.<sup>8</sup> The existence of Yasinan as a space to enhance *ukhuwah* is the main differentiator between this cooperative and other cooperative models, which generally do not use religious forums to promote economic empowerment. In other words, this cooperative has succeeded in making the spiritual space a place of worship and a means of building trust, strengthening a sense of collective ownership, and increasing members' participation in cooperative economic activities. This approach shows that spirituality, when systematically integrated into economic activities, can enhance cooperative members' understanding of social responsibility and serve as a foundation for the sustainability of community-based economic empowerment programs. This experience provides an essential lesson: strengthening spirituality-based social capital can effectively advance Islamic financial inclusion at the grassroots level.<sup>9</sup>

Regarding governance, KSPPS Barokah Nur Muttain implements a transparent and participatory reporting system through annual meetings and open financial reports. This transparency is key to the sustainability of cooperatives, as emphasized by the importance of accountability in community financial institutions.<sup>10</sup> However, this cooperative still faces challenges such as limited capital, low members' financial literacy, and weak management's managerial capacity. However, the high social solidarity of religious activities and the support of community leaders are the main forces to overcome these challenges. This cooperative can create an effective internal mechanism to address the obstacles commonly faced by micro-cooperatives. Socio-religious troops are necessary to maintain the stability and sustainability of Islamic financial inclusion programs in local communities.<sup>11</sup>

Overall, the sharia finance inclusion model at KSPPS Barokah Nur Muttain proves that the synergy between socio-religious and economic activities can create a more sustainable social impact than conventional approaches. These findings reinforce

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<sup>8</sup> Naila Kabeer, "Women's Empowerment and Economic Development: A Feminist Critique of Storytelling Practices in 'Randomista' Economics," *Feminist Economics*, Vol. 26, No. 2 (2020), 1–26, <https://doi.org/10.1080/13545701.2020.1743338>.

<sup>9</sup> Ichsan Hamidi, Muhammad Farhan, and Deassy Apriani, "Investment, ZIS Funds, Mudharabah Financing and Economic Growth in Indonesia," *Islamic Economics Journal*, Vol. 10, No. 1 (2024), 45–60, <https://doi.org/10.21111/iej.v10i1.11990>.

<sup>10</sup> Guntur Arie Wibowo et al., "Strategi Pengembangan Koperasi Mandiri Sebagai Solusi Pemberdayaan Ekonomi Masyarakat," *JIPM: Jurnal Inovasi Pengabdian Masyarakat*, Vol. 2, No. 2 (2024), 75–82, <https://doi.org/10.55903/jipm.v2i2.174>.

<sup>11</sup> M. Makhrus, Ibnu Hasan, and Selamat Eko Budi Santoso, "Islamic Philanthropy and Social Services in Improving Community Welfare in Indonesia," *Islamic Economics Journal*, Vol. 10, No. 2 (2024), 150–62, <https://doi.org/10.21111/iej.v10i2.10930>.

research confirming the importance of integrating spirituality into community economic empowerment.<sup>12</sup> The high satisfaction of members with cooperative services, primarily through *qardhul hasan* and *mudharabah* contracts, demonstrates that sharia principles are implemented in practice and provide direct benefits. The principles of justice, helpfulness, and openness are the main attractions for members, especially women, in carrying out financial transactions. From the perspective of faith-based finance (Obaidullah, 2008), these cooperatives prove that integrating religious values in the economy creates long-term social impacts. These cooperatives strengthen social solidarity and sustainably empower women’s economy. Thus, this cooperative becomes a community-based economic model that is effective, inclusive, and based on spirituality.

***KSPPS Barokah Nur Mutain’s Argument Using Community-Based Sharia Financial Inclusion for Women’s Empowerment***

The main highlight of this study is the rationale for choosing a community-based Islamic financial inclusion model for Yasinan congregations at KSPPS Barokah Nur Muttain. The following are the research results regarding the arguments and background of the model.

**Table 2. Reasons for Using the Yasinan Congregation Community-Based Model**

Aspects Examined	Key Findings
Background of the Establishment of the Cooperative	It started from the initiative of Yasinan pilgrims to manage social funds together.
Basic Islamic and Social Values	Based on the values of mutual cooperation, Islamic <i>ukhuwah</i> , honesty, and mutual help.
Management Perception of Model Effectiveness	The community-based model is considered effective due to high mutual trust and social supervision.
Advantages of the Community Model over Individuals	Members are more disciplined due to social ties & embarrassment in front of the community.
The Role of Local Culture and Tradition of Yasinan	Yasinan is a medium to strengthen communication, solidarity, and trust between members.
History of Early Hibah	Starting from local government grants for productive economic training.
Relevance of Spiritual Activities	Spiritual activities are considered to strengthen the mentality of members in managing business and finances.
Addressing Women’s Access Limitations	This cooperative is a solution to the difficulty of women accessing formal financial institutions.
The concept of “From us, by us, for us”	Implemented in all aspects of the cooperative’s operations, from fundraising to decisions.
Preventing bad credit	Social bonds and shame encourage member discipline in returning funding.

<sup>12</sup> Rizki Umar Ali Umar, “Peran Masjid Dalam Pengelolaan ZISWAF Sebagai Penggerak Pertumbuhan Ekonomi Makro dan Peningkatan Religiusitas Ekstrinsik,” *Mazinda : Jurnal Akuntansi, Keuangan, dan Bisnis*, Vol. 3, No. 1 (2025), 96–122, <https://doi.org/10.35316/mazinda.v3i1.6709>.

Aspects Examined	Key Findings
Low Revenue Sharing Considerations	Low profit sharing (maximum 0.5%) as a form of social justice and the spirit of helping.
Sharia Principles as a Model Basis	Sharia contracts, the prohibition of usury, and the principles of fairness and blessings are the main foundations of cooperatives.
Strengthening Solidarity & Social Trust	Solidarity grows because of the similarity of religious activities and a sense of solidarity as women.
The Role of Religious Values	Fostering mutual responsibility and a awareness to help each other in the midst of limitations.
Compatibility with Local Socio-Economy	This model is considered most suitable for the economic context of women in rural areas that are family-based.

Source: Data Processed by Researchers

The results of this study show that the community-based Islamic financial inclusion model of Yasinan pilgrims at KSPPS Barokah Nur Muttain originated from the collective initiative of congregational mothers who are used to managing social funds together. This cooperative is not just a financial institution, but an extension of socio-religious activities with a strong spirit of cooperation and Islamic *ukhuwah*. The Yasinan tradition is a place of worship and a forum for sharing economic problems and strengthening social commitment. These findings align with the community-based finance<sup>13</sup> theory that emphasizes the importance of social networks in building community financial institutions. This cooperative is a real example of how spirituality-based social capital can develop into a useful formal financial institution, especially for rural women. Thus, these cooperatives are not only economic instruments but also reflections of the socio-religious forces in society.

Furthermore, the fundamental values embraced by this cooperative, such as honesty, mutual help, and cooperation, provide a strong foundation for all members' economic activities. The perception of cooperative management indicates that this community-based model is highly effective, driven by members' strong mutual trust and intense social supervision. Cooperative members naturally become more disciplined, not solely because of administrative rules, but also because of close social ties and the shame of failing to fulfill their obligations to the community. This aligns with the concept of Islamic social capital, which emphasizes the importance of *ukhuwah*, *amanah*, and *ta'awun* (help) in building a sharia-based economic system that is just and sustainable. In addition, these findings affirm research highlighting the effectiveness of religious-based social capital in improving cooperative members' financial compliance and discipline. Thus, these cooperatives not only rely on formal economic mechanisms but also utilize social mechanisms that are very effective in maintaining micro-enterprises' sustainability at the local level.

The role of local culture, especially the Yasinan tradition, is key to strengthening this cooperative model, as Yasinan is spiritual and serves as a communication space that fosters solidarity and trust among members. The early history of cooperatives

<sup>13</sup> Joanna Ledgerwood and Kim Wilson, "Community-Based Financial Services."

funded by local government grants shows that external assistance can be practical when integrated with existing community traditions. Spiritual activities such as Yasinan have proven to be relevant in strengthening members' mental resilience and financial discipline, as they can foster optimism and steadfastness in managing micro businesses. These findings align with research 14, which concludes that integrating religious activities with economic empowerment increases the effectiveness of sharia microfinance programs in rural areas. This Yasinan-based cooperative provides economic access and becomes a space for mental and spiritual strengthening for its members. This model shows that community-based approaches rooted in local traditions are more adaptive and effective in addressing the economic needs of rural women than market-based approaches.

The advantages of this cooperative are evident in its ability to provide women with limited access to formal financial institutions through the "from us, by us, to us" principle applied across all cooperative activities. Collecting funds, distributing financing, and making decisions are carried out in a familiar social atmosphere, without intimidation, with the principle of justice maintained together. The very low profit-sharing scheme, capped at 1.5 percent, is a tangible manifestation of the cooperative's commitment to supporting social justice and overcoming the practice of high-interest financing outside the cooperative. This model aligns with Islamic microfinance principles, which emphasize justice, equality, and mutual aid as the basis of financial transactions. These findings are also supported by studies <sup>14</sup>that affirm the vital role of community-based financial mechanisms in creating economic justice for marginalized groups, especially women. Thus, this cooperative functions as a savings and loan institution and serves as a symbol of socio-economic justice, providing its community with fair, affordable, and humane financial access.

Ultimately, this cooperative built strong social solidarity through shared religious practices, a sense of solidarity as women, and spiritual values that continue to be nurtured. These values play a role in worship and encourage collective awareness to help each other amid economic limitations. The suitability of this model to the family culture in the countryside is the main reason this cooperative is considered the most ideal among other financial models. These findings show that cooperatives provide economic benefits and strengthen women's social networks and their awareness of the role of cooperation in addressing economic problems. Theoretically, this model reinforces *the faith-based finance theory, which emphasizes integrating spiritual values into economics for sustainable social impact*<sup>15</sup>. Therefore, this cooperative deserves to be an example of Islamic financial inclusion practices that are practical, relevant, and highly transformative within local tradition-based communities.

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<sup>14</sup> Shantanu Sharma, et. al., "Evaluation of a Community-Based Intervention for Health and Economic Empowerment of Marginalized Women in India," *BMC Public Health*, Vol. 20, No. 1 (2020), 1766, <https://doi.org/10.1186/s12889-020-09884-y>.

<sup>15</sup> Moch Agus Junaidi, "Microcredit Programmes in De velopment in Rural Indonesia: Gender, Cultural, and Religious Perspectives" (Phd, University of Southampton, 2019), <https://eprints.soton.ac.uk/451368/>.

*The Impact of the Implementation of Sharia Financial Inclusion Based on the Yasinan Community at KSPPS Barokah Nur Muttain on Women’s Empowerment*

The study results show various positive impacts of implementing community-based Islamic financial inclusion on women’s empowerment at KSPPS Barokah Nur Muttain. The following presents the data from the research findings.

**Table 3. The Impact of Sharia Financial Inclusion on Women’s Empowerment**

Aspects Examined	Key Findings
Improving the Family Economy	Most members experienced an increase in family income after joining.
Support for Women’s Businesses	Cooperatives help small business capital, such as culinary, handicrafts, and household farming.
Personal Financial Independence	Members are more independent in managing finances, not depending on their husbands or other parties.
Improving Financial Literacy	There is an increased understanding of members in saving, managing debt, and financial planning.
The Role of Training & Mentoring	Cooperative training improves women’s business and household management skills.
Involvement in Decision Making	Some members are actively involved in household decision-making and community activities.
Influence on Child & Family Well-being	Children’s welfare is improving, especially in terms of education and the fulfillment of basic needs.
Social Networking & Business Support	A social network is formed that supports each other in marketing and product distribution.
Changes in Self-Perception & Self-Confidence	Members feel more confident and valued in their families and communities after joining.
Gender Relations in the Family	There is an increase in gender equality in decision-making and management of household finances.
Social & Religious Engagement	Members are more active in participating in social and religious activities in the surrounding environment.
Support for the distribution of community economic results	Cooperatives help in the distribution of agricultural products and local products in a more organized manner.
Ownership of Personal or Business Assets	Some members have new business assets, such as production equipment or livestock.
Changes in Financial Management Patterns	The pattern of household financial management is more directed and disciplined after joining a cooperative.
Women’s Views on Roles in the Community	Women are more aware of their important role in advancing their families and communities.

Source: Data Processed by Researchers

Implementing community-based Islamic financial inclusion at KSPPS Barokah Nur Muttain has proven effective in increasing women’s economic empowerment, as evidenced by higher income for member families after obtaining financing. This aligns with the microfinance theory for women’s empowerment<sup>16</sup>, emphasizing that

<sup>16</sup> Kate Ambler, Kelly Jones, and Michael O’ Sullivan, *Increasing Women’s Empowerment: Im-*

women's access to capital can improve family welfare, especially in community-based microeconomic schemes. This cooperative provides women with easy, affordable, and Sharia-compliant access to capital to develop small businesses in culinary, handicrafts, and household agriculture. As a result, women no longer only take care of the domestic economy, but are also active as productive economic actors in their communities. These findings corroborate research,<sup>17</sup> that community cooperatives effectively increase women's productivity in the informal sector. This cooperative model shows that community-based Islamic finance inclusion effectively encourages women's economic participation in rural areas.<sup>18</sup>

In addition to increasing income, incorporating Islamic finance into this cooperative also encourages members' independence in managing their personal and household finances. Before joining, many women relied on husbands or loans from informal institutions not based on sharia. Still, they became more independent after gaining access to financing and cooperative training. Members can now save regularly, manage loan installments with discipline, and plan family finances in a structured manner. These findings align with the financial literacy theory,<sup>19</sup> which emphasizes the importance of financial literacy in increasing women's economic independence. In this cooperative, financial literacy includes money management, business planning, and household economic risk management. Thus, this cooperative becomes a provider of capital access and an effective financial education center for rural women.

The consistent role of training and mentoring in cooperatives has proven to be an essential catalyst for improving business skills and strengthening women's roles in household management and economic decision-making. Many members who previously played only a role in the domestic realm are now beginning to dare to participate in family and community economic decision-making after attending entrepreneurship and management training. This phenomenon shows a shift in gender roles in previously still patriarchal communities. These findings align with studies affirming that women's participation in the microeconomy can improve their bargaining position in households. These community-based cooperatives empower women economically and encourage broader social transformation regarding women's roles and positions. This cooperative is a comprehensive empowerment space, where women can be active economic actors and leaders in their social sphere.

These cooperatives not only have an economic impact and change in gender roles, but also improve family welfare, especially in the education and health of members' children. Additional income and the ability to manage family finances

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*plications for Family Welfare* (IZA - Institute of Labor Economics, 2021), <https://www.jstor.org/stable/resrep63674>.

<sup>17</sup> Umi Karomah Yaumidin, et. al., "Financial Inclusion for Women: Impact Evaluation on Islamic Microfinance to Women's Empowerment in Indonesia," in *Financial Inclusion and Poverty Alleviation: Perspectives from Islamic Institutions and Instruments*, ed. Muhammed Zulkhibri and Abdul Ghafar Ismail (Cham: Springer International Publishing, 2017), 81–140, [https://doi.org/10.1007/978-3-319-69799-4\\_3](https://doi.org/10.1007/978-3-319-69799-4_3).

<sup>18</sup> Imam Kamaluddin, et. al., "Partnership Cooperation Models in Fiqh Muamalah: A Case Study of Kencana Mulia Sejahtera Cooperative in Ngawi," *Islamic Economics Journal*, Vol. 11, No. 1 (2025), 77–94, <https://doi.org/10.21111/iej.v11i1.13856>.

<sup>19</sup> Sagarika Dash, et. al., *Paradigm Shift Multidisciplinary Research for a Changing World Volume 2* (Redshine Publication, 2024).

enable members to meet better their educational, health, and other basic needs. The social networks formed among cooperative members also provide strong moral and social support and open up new economic cooperation opportunities.

This change in social relations demonstrates that cooperatives can build a solid, mutually supportive community, both economically and socially. The cooperative is also a hub for positive social interaction, where women share experiences, expand business networks, and build collective solidarity. Thus, these cooperatives create a multidimensional impact that includes economic, social, and psychological aspects.<sup>20</sup>

Another significant impact of this cooperative program is increased confidence among female members, as evidenced by their courage to express their opinions, active participation in socio-religious activities, and involvement in various community forums. This increase in confidence shows that women are beginning to appear as equal and empowered individuals in their environment. These findings align with Afifah's (2020) study, which found that women's participation in community economic empowerment programs can increase self-confidence, especially in rural areas. In addition, most cooperative members now have new business assets, such as production equipment, livestock, or small stalls, indicating the accumulation of sustainable assets. The pattern of household financial management has also become more disciplined, with long-term financial planning for businesses and families. Overall, the community-based Islamic financial inclusion model implemented by the cooperative has been proven to comprehensively encourage women's empowerment across the economic, social, psychological, and gender relations aspects of the community.

## Conclusion

Based on the study results, implementing community-based Islamic financial inclusion within Yasinan congregations at KSPPS Barokah Nur Muttain has proven effective in encouraging women's economic empowerment through programs that combine spiritual, social, and economic values. A simple hiring process, easily accessible Sharia-compliant financing services, and business training encourage women's active involvement in financial management and productive businesses, ultimately strengthening families' economic resilience. This cooperative also draws on local culture and Yasinan traditions to reinforce social solidarity and serve as an instrument of fair and transparent economic da'wah. The advantage of this model lies in its ability to build strong social bonds, prevent bad credit, and create an inclusive economic system based on trust and collective awareness. The impact is economic and social, including increased women's confidence, greater community involvement, and improved family well-being. This study recommends replicating similar models in other communities with strong socio-religious characteristics. It also encourages further studies on the long-term sustainability of community-based cooperatives and their impact on transforming gender roles in society.

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<sup>20</sup> Venus Hilario, "Socio-Economic Impact of Cooperatives Among Members: An Input to Customized Program Development Framework for Cooperatives," *Psychology and Education: A Multidisciplinary Journal*, Vol. 4, No. 6 (2022), 636–51, <https://doi.org/10.5281/zenodo.7133696>.

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