

## **EMPOWERING WOMENPRENEURS THROUGH ISLAMIC SOCIAL FINANCE: EXAMINING THE IMPACTS ON POWER AND AGENCY IN BRUNEI DARUSSALAM**

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<b>Abstract</b>	<p><i>This study delves into the impact of Islamic social finance, specifically Zakat and Charity, on the economic empowerment of 18 women entrepreneurs (referred to as womenpreneurs) in Brunei Darussalam. By offering marginalised womenpreneurs alternative sources of capital, Islamic social finance helps overcome barriers to financial inclusion by providing capital assistance for launching or expanding their businesses. Using a qualitative case study approach, the research focuses on six key areas of women's power and agency: control over assets, decision-making, autonomy and mobility, self-confidence, gender norms, and gender roles. Data was gathered from womenpreneurs in all four districts of Brunei through semi-structured interviews to examine their experiences following assistance from Zakat and Charity. The interviews were examined using content analysis with NVIVO to uncover patterns and themes within the six dimensions of power and agency. The findings reveal that the womenpreneurs are able to generate their own income, have increased ownership of business assets, allocate a portion of their income for themselves and their children, and experience improved psychological well-being and self-confidence. This study adds to the expanding literature on Islamic social finance and women's empowerment, highlighting the financial and psychological advantages for womenpreneurs and highlighting the role of Islamic social finance in promoting empowerment among women in Brunei Darussalam.</i></p> <p><b>Keywords:</b> <i>Islamic Social Finance, Economic Empowerment, Womenpreneurs, Power And Agency, Zakat, Charity.</i></p>
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### **INTRODUCTION**

According to Dembele and Bulut (2021), Islamic Social Finance refers to a financial mechanism used by Muslim communities to ensure fair access to natural resources and public goods for all members of society and this system has been integral to Islamic societies since the early centuries of the Islamic faith. Conversely, Golla et al. (2011) state that women's empowerment in the economic sphere involves more than just financial independence. It encompasses their ability to thrive and progress economically, as well as their authority to make and execute financial decisions (Golla et al., 2011).

Nevertheless, women in Brunei play a vital role in the country's development, and their significance in shaping the socio-economic landscape is widely acknowledged. According to the Brunei Department of Economic Planning and Statistics (2024), the estimated population of Brunei in 2023 was 450,500, comprising 237,700 males (52.8%)

and 212,800 females (47.2%). In addition, based on recent data from the World Bank's Entrepreneurship Survey and Database (n.d.) shown in Figure 1 below, the proportion of women business owners in Brunei increased by 17% from 2017 to 2020, signalling a notable rise in women's involvement in business endeavours. In 2020, women accounted for 25% of newly registered limited liability company owners in Brunei, while men represented 75% of business ownership. This suggests that a larger share of business ownership is held by men, despite the steady increase in the percentage of women business owners in Brunei between 2017 and 2020 (World Bank's Entrepreneurship Survey and Database, n.d.).

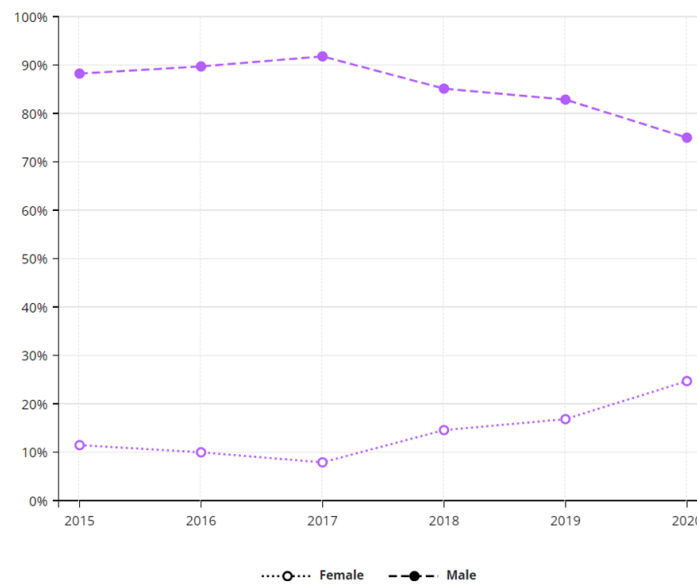


Figure 1: The share of business owners (% of total business owners)  
(Source: World Bank's entrepreneurship survey and database)

## LITERATURE REVIEW

### Islamic Social Finance

Islamic social finance refers to providing financial services to vulnerable members of society to achieve socio-economic welfare (Muhammad et al., 2018). The primary tools of Islamic Social Finance are Zakat (almsgiving), Waqf (endowment), and Sadaqah (charity), which historically formed the basis for models in Islamic economics aimed at providing public goods and promoting social welfare (Dembele & Bulut, 2021).

Yusuf Qardhawi in Anis (2020) defines Zakat as a portion of assets that have met a certain Shariah level and are required by Allah to be distributed to deserving recipients based on specific conditions. These categories, collectively known as Asnaf, encompass eight types of eligible recipients and their prioritisation is determined by their level of eligibility (Ali, 1989) as detailed in Surat At-Tawbah, Chapter 9, Verse 60:

﴿ إِنَّمَا الصَّدَقَتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمِلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَرَمِينَ وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ ۚ فَرِيضَةً مِّنَ اللَّهِ ۚ وَاللَّهُ عَلِيمٌ حَكِيمٌ ۝ ﴾

Meaning, "The poor, the needy, those employed to administer the (funds), for those whose hearts have been (recently) reconciled (to Truth), for those in bondage, those in debt, those in the cause of Allah and for the wayfarer (travellers)" (Al-Quran. At-Tawbah: 60).

As for Waqf, Beik et al. (2018) state that it involves a long-term commitment and allows for the utilisation of resources to foster economic growth and generate income. This

form of giving involves donating land, buildings, or other assets for religious or charitable purposes, with the understanding that these contributions will not be reclaimed. The donated land can be used to drive local economic development, such as for agricultural activities (Beik et al., 2018).

Moreover, Abduh (2019) claims that Infaq represents a form of personal charity that can be given in the form of monetary donations or tangible goods, with no specified minimum or maximum limit. The purpose of Infaq can range widely, and its beneficiaries are not restricted to specific groups of people. Furthermore, there are no restrictions on the use of Infaq funds, as they can be immediately utilised for consumption or invested in productive ventures and economic activities to generate future income (Abduh, 2019). Sadaqah goes beyond the concept of Infaq. It encompasses any act of giving with the hope of receiving spiritual rewards from Allah SWT. Sadaqah is a way for a servant of Allah SWT to showcase unwavering faith (Wahyuni & Chintya, 2017). This faith is demonstrated through both material and immaterial sacrifices without expecting anything in return. In Islam, it is believed that sincere acts of charity are rewarded, while insincere acts do not yield any rewards (Lubis & Latifah, 2019).

### Economic Empowerment of Women

According to Sida, women's economic empowerment is a multifaceted process that aims to enhance women's genuine control over economic choices, thereby influencing their lives and societal roles. Achieving women's economic empowerment necessitates equal access to and management of vital economic resources and opportunities. This also entails addressing and eradicating structural gender disparities in the labour market, including a fairer distribution of unpaid care work (Box, 2012).

Furthermore, for women to attain economic success and wield influence, they rely on a diverse range of resources at both individual and community levels. These resources extend beyond monetary assets and encompass education, skills, training, financial support such as loans and savings, social networks and mentors, as well as tangible assets like land and machinery (Golla et al., 2011). The framework depicted in Figure 2 serves as a tool for assessing women's economic empowerment (Golla et al., 2011).

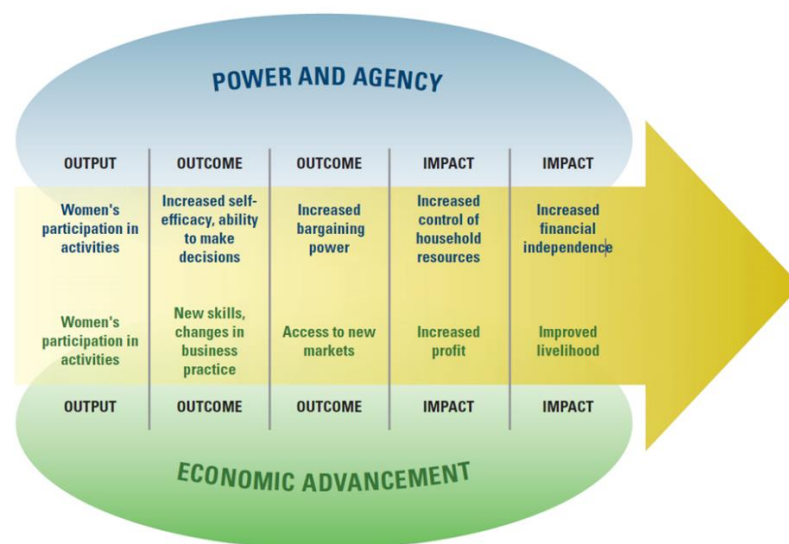


Figure 2: A framework to measure women's economic empowerment

Source: Golla et al. (2011)

### The Role of Islamic Social Finance in Economic Empowerment

Razak and Dawami (2020) delve into the potential impact of Zakat, Waqf, and Sadaqah on the development of Islamic social finance. They have conducted a thorough content analysis of various secondary sources to explore the challenges and obstacles hindering the

realisation of the objectives of Islamic social finance. Their research highlights the crucial role of Zakat, Waqf, and Sadaqah in addressing pressing social issues such as poverty, education, and healthcare by pooling resources to support communities. Yet, the study conducted by Razak and Dawami (2020) seems to be based on the analysis of existing data and content, potentially limiting the understanding of individual beneficiaries' diverse experiences. In contrast, the current research involves conducting qualitative semi-structured interviews with womenpreneurs to gather first-hand information, allowing for a comprehensive exploration of their personal experiences and perspectives particularly in their power and agency aspect.

Besides, Lestari et al. (2022) delve into the role of philanthropic organisations in promoting economic empowerment. The study specifically focuses on the activities of LAZ (Lembaga Amil Zakat) Rumah Zakat, an Islamic philanthropic institution located in Bandung, Indonesia. Utilising a qualitative approach with a case study method, the researchers conducted in-depth interviews to gather data. The interviewees comprised a beneficiary of the Rumah Zakat program, a staff member, and a leader within the organisation. The study's findings highlight the effective implementation of programs by LAZ Rumah Zakat, which have positively contributed to the economic empowerment of the community (Lestari et al., 2022). Still, Lestari et al. (2022) only utilised a single beneficiary as a sample in their study, while the current research focuses on a particular group of womenpreneurs in Brunei. The variance in sample size and specificity between the two studies may give rise to differences in the depth of analysis and the generalisability of the findings.

## **METHODOLOGY**

### **Research Design**

The current study utilises a qualitative research method, which aims to gain insight into people's experiences, behaviours, beliefs, attitudes, and motivations (Corner et al., 2019). This type of research often involves observing the target population and conducting in-depth interviews or focus group discussions (Corner et al., 2019). As a result, this approach allows the present research to thoroughly explore the personal experiences of women entrepreneurs who have benefited from Islamic social finance in Brunei. Moreover, this current research adopts a mono-method qualitative approach, specifically employing a case study methodology. Zainal (2007) discusses the case study method as a research approach that enables in-depth analysis of data within a specific context. This method often centres on a small geographic area or a limited number of individuals as the focal points of the study. Zainal (2007) emphasises that case studies involve a meticulous examination of real-life phenomena through detailed contextual analysis of a restricted number of events or conditions, along with their interrelationships.

### **Participants**

The current study employs homogenous purposive sampling to carefully select participants who share similar characteristics. According to Lund Research Ltd (2012), homogenous purposive sampling involves intentionally selecting a sample with units that exhibit similar qualities or attributes. This sampling method is often utilised when the research question centres on a specific group with distinct features, allowing for a detailed and thorough investigation (Lund Research Ltd, 2012).

This research involves 18 womenpreneurs in Brunei who have received support from the government and institutions such as Jabatan Pembangunan Masyarakat (JAPEM), Pusat Da'wah Islamiah (PDI) and Bank Islam Brunei Darussalam through the BIBD Special Entrepreneurial Empowerment and Development Scheme (BIBD SEED). These women are engaged in various Micro, Small, and Medium Enterprises (MSMEs) including retail, services, and manufacturing. To be eligible, participants must be womenpreneurs who have received Islamic social finance (either Zakat or charity) regarding physical material or

access to markets, own or operate an MSME, and be located in any district within Brunei. The selection process aims to represent diverse socio-economic backgrounds, with participants chosen from all districts in Brunei.

### **Data collection**

The data for the current research were collected using semi-structured interviews conducted between December 2023 and March 2024 and all interviews were recorded with prior permission from the participants. According to Tegan (2022), semi-structured interviews involve asking questions within a predetermined thematic framework, but the questions are not presented in a specific order or phrasing. The interview guide is developed based on the framework by Golla et al. (2011) to measure the impact of Islamic social finance on the economic empowerment of womenpreneurs in Brunei, particularly regarding their power and agency aspect.

The decision to utilise the framework developed by Golla et al. (2011) is supported by its extensive use and acknowledgement in global research related to women's economic empowerment. For example, the research program carried out by the Food and Agriculture Organization of the United Nations (FAO) on the economic empowerment and social protection of rural women is based on this framework. The FAO's reliance on the work of Golla et al. (2011) underscores the strength and significance of this framework in comprehending the diverse dimensions of women's empowerment (Pavanello et al., 2015). Nevertheless, the current research focuses on power and agency indicators which have six key areas: 1) control over assets, 2) agency and decision-making, 3) autonomy and mobility, 4) self-confidence and self-efficacy, 5) gender norms, and 6) gender roles and responsibilities. Before the interviews, the questions were validated through a pilot study and expert review.

### **Data Analysis**

According to Isnandar (2019), data analysis functions as a vital methodology for recognising, examining, comparing, and interpreting significant patterns and themes within collected information. This process involves systematically condensing large volumes of data, making it easier to comprehend complex information (Isnandar Sanusi, 2019). Moreover, Patton (1987) says that there are three key activities take place during analysis: first, the organisation of data to establish a coherent structure; second, the reduction of data through summarisation to highlight essential insights; and third, the identification of emerging patterns and themes. The interview data in the current research is analysed using NVivo software through content analysis.

In the study by Dollah et al. (2017), their participants highlighted key advantages of using NVivo for data analysis: it helps researchers manage large volumes of data, efficiently identify themes, and establish relationships among the generated themes. In contrast, qualitative content analysis is defined as a research method involving the subjective interpretation of text data through a systematic classification process that includes coding and theme identification (Hsieh & Shannon, 2005). This method is utilised due to six critical areas outlined in the power and agency indicators from the framework developed by Golla et al. (2011). Consequently, themes are formulated based on these six areas.

## **RESULTS AND DISCUSSION**

After running the content analysis process from the interview, the results indicate improvements in the power and agency of the womenpreneurs particularly their control over assets, agency/decision-making and self-confidence/self-efficacy. Also, in terms of their gender roles/responsibilities, only a few of the womenpreneurs indicate some changes after receiving the assistance. However, there are no changes in their autonomy, mobility and gender norms after the assistance. The demographic background of the eighteen womenpreneurs is shown below in Table 1.

Table 1: Background of Womenpreneurs

Age	Total (%)	Marital Status	Total (%)	District	Total (%)	Assistance	Total (%)	Business Type	Total (%)
<20	0	Married	72.2	Brunei-Muara	72.2			Tailoring and garment-making	33.3
21-30	0							Food	44.4
31-40	22.2							Handicrafts	11.1
41-50	55.6	Divorced	22.2	Belait	5.6	Charity	77.8	Local confectionery	5.6
>50	22.2	Widowed	5.6	Temburong	16.7	Zakat	22.2	Food, printing & photocopying	5.6
Total	100		100		100		100		100

### **Control Over Assets**

The majority of the womenpreneurs show expansion of their business assets. From the Zakat or charity that they have received to launch or expand their businesses, they can buy more business assets from the proceeds of their businesses such as new sewing machines, heavy-duty ovens, bigger stoves, etc. "From the proceeds of the business, I was able to buy a new sewing machine and edging machine. Now, I have five altogether" (respondent 4). Having increased control over their assets enables womenpreneurs to manage their business activities more efficiently. This efficiency fosters a consistent income generation cycle, leading to enhanced financial stability. As a result, womenpreneurs gain greater autonomy in managing their finances and overall asset management.

### **Agency/Decision-Making**

Some of the womenpreneurs were fully dependent on their husbands and full-time housewives. However, the womenpreneurs are able to launch or expand their businesses leading to them having their own source of income after receiving assistance. The interview shows that six womenpreneurs have an increase in their children's spending whereas four out of eighteen show an increase in their spending. "The percentage of income spent on my children is 50% and 50% for myself. Before, I fully depended on my husband, now not anymore" (respondent 3). This demonstrates that these womenpreneurs achieve financial independence, allowing them to utilise their earnings freely without relying on their husbands. This shift signifies a positive transformation in their agency and decision-making capabilities, as they now possess the power to determine how their income is distributed and utilised.

### **Self-Confidence/Self-Efficacy**

Eight womenpreneurs have said that having their own business helps overcome their introversion and thirteen of them have shown an increase of confidence in communication in speaking with people and authorities. Furthermore, nine womenpreneurs have revealed that they experience an increase in self-confidence after the assistance. "Before, I was not confident in promoting the sewing items. I was shy and afraid to interact with people, I was the quiet type. After the assistance, I become confident in conveying what I want to say. There is a slight change from before, I have become more confident and believe in myself more" (respondent 9). This indicates that by opening or expanding their businesses, they get to meet and interact with a lot of customers from different backgrounds, hence improving their social interactions and communication. On top of that, most of the womenpreneurs have noted that they received training from institutions such as marketing,

cash flow projection, food packaging, etc. This further improves their self-confidence in managing their businesses.

### **Gender Roles/Responsibilities**

As for the equity in housework duties, only three of the womenpreneurs indicate some changes in this area. They have experienced a transition from solo to shared housework duties with either their husbands or children after receiving assistance. This emphasises the persistence of traditional gender expectations for the majority. "Before this, I never shared the housework duties with my ex-husband. Now, I share them with my children. My children mostly are doing them" (respondent 7). Yet, those who have managed to alter these domestic responsibilities demonstrate a remarkable level of empowerment and agency. Their ability to negotiate and delegate tasks not only highlights their strategic skills but also marks a significant step towards redefining traditional roles within the household.

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