

Between Benefits and Dependency: Evidences of Women's Empowerment Through *Baitul Maal Wat Tamwil (BMT)* in Indonesia

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Abstract:

Baitul Maal wat Tamwil (BMT), a form of Islamic microfinance in Indonesia, is not purposely designed for women. However, female clients are the biggest beneficiaries of this institution. This study aims to explore the phenomenon of women's participation in BMT programs. Specifically, it focuses on the intended and unintended outcomes of women's empowerment through BMT. Using a case study of four BMTs in Yogyakarta, this research observes the impact of BMT on women's lives. Three methods were used to collect the data including semi-structured interviews, field observation, and document collection. The interactive qualitative data analysis is used to examine the collected data. To verify the validity of findings, this research uses a triangulation approach. It is found that BMTs' effects on women are mostly positive. Access to BMTs' programs and services has socio-economic and psychological benefits for women. Nonetheless, BMTs may have a negative effect, one of the most damaging being a continued dependence on loans. Future research could expand to several areas where BMT operate, thereby providing a more comprehensive portrait of BMTs and women's empowerment. This study fills gaps in the literature by comprehensively investigating the benefits and disadvantages of empowering women through BMTs.

Keywords: Women's empowerment, *Baitul Maal wat Tamwil*, benefits, loan dependency.

JEL classification: A13, F63, O12, P13

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