

Empowering Muslim Women Micro, Small, and Medium Enterprises (MSMEs) Owners through Working Capital Loan (KUR)

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INTRODUCTION

The issue of funding remains one of the obstacles faced by female entrepreneurs. International Finance Cooperation (2016) reports that 80% of female SMEs have unmet credit needs, leading them to rely more on personal savings or loans from family and friends. They encounter difficulties in financial access (Aledejebi, 2020) and limited knowledge on financial sources and technical support (Rudhumbu, et al., 2020). In Indonesia, a study conducted by The Prakarsa (2020) shows that there is only 27% of female MSMEs receive assistance from formal financial institutions, while the remaining 73% do not receive loans from formal financial institutions.

Access to financial assistance for MSMEs has been proven to have positive impacts. Funding for small and medium enterprises is always beneficial for SME management, including in terms of increasing revenue (Nurrachmi, et al., 2013) and has a significant influence on the performance of SMEs (Zenniar and Suriani, 2023). Furthermore, working capital loans also have significant positive influences on female involvement in business. Previous study by Agarwala, et al. (2022) indicates that microcredit through the Mudra Yojana program in India promotes female entrepreneurship, increases income and job opportunities, and empowers women financially, socially, psychologically, and politically. Microfinance programs have also been shown to reduce poverty, increase family income, and improve education of children of the female entrepreneurs in Pakistan (Mahmood, et al., 2014). Furthermore, funding is

beneficial in facilitating female entrepreneurs to recognize and seize opportunities and develop their businesses (Rita, et al. 2017).

Studies revealing the connection between female entrepreneurs and credit has been extensive. Female entrepreneurs have negative perceptions regarding loan applications, allocation, and loan procedures, ultimately making them unsupportive of formal loans (Naegels, et al., 2022). They are reluctant to take loans from banks due to constraints such as collateral, application requirements, and business characteristics (Chowdury, et al., 2018). Moreover, financing purposes also become a consideration for female entrepreneurs before applying for credit (Karanja, et al. 2014). Not to mention that gender roles and social capital has a significant influence female entrepreneurs' desire to choose external financing (Wang, et al., 2020).

In Indonesia, with regards to funding assistance for MSMEs, the Government launched working capital loan or Kredit Usaha Rakyat (KUR) program in 2007. Through Presidential Instruction Number 6 of 2007, KUR program is expected to expand access to micro, small, and medium enterprises to obtain bank credit and increase the production in Indonesia's real sector. The increasing number of KUR debtors each year indicates that MSME owners are very enthusiastic about this program. In 2022, KUR was accessed by 8.54 million MSMEs (SIKP Ministry of Finance, 2024). Of this total, 42% of debtors are from female MSMEs. This percentage certainly needs to be increased considering the number of female MSMEs constitutes the largest composition of MSMEs in Indonesia. As mentioned in the 2nd Global Partnership for Financial Inclusion (GPMI) meeting, there is a need to increase the role and potential of women to achieve inclusive economies and the acceleration of financing for entrepreneurs, especially women (Bank Indonesia, 2022).

Past works show that there has not been any study examining the attitudes of Muslim female MSME entrepreneurs towards KUR as one of the financing access-points that can be used to develop their businesses. This study focuses on attitude, a significant construct in the Theory of Planned Behavior (Ajzen, 1991). By identifying specific determinants that influence attitude formation related to KUR application among Muslim women MSME entrepreneurs, such as perception of credit ease, service quality, and personal value, the research aims to enhance Muslim women entrepreneurs' interest in KUR application.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

An overview of Kredit Usaha Rakyat. KUR is a program that provides subsidized financing/credit with low interest rates, where 100% of the funds are owned by banks/non-bank financial institutions as KUR Distributors and channeled in the form of working capital and investment funds. KUR is channeled to individual MSME owners, business entities, and/or business groups that have productive and viable businesses but do not have additional or feasible collateral yet are not bankable. The government provides subsidies in the form of interest subsidies, and there is a guarantee scheme so that the principal collateral of KUR is the business or object being financed.

The first period of KUR distribution from 2007 to 2014 used the Interest Subsidy Guarantee scheme with a maximum loan of 500 million and a maximum interest rate of 16%. The total distribution of KUR amounted to Rp178 trillion with 12.4 million borrowers (Coordinating Ministry for Economic Affairs, 2023). In subsequent periods starting in 2015 until present, a subsidy scheme for interest/margin is used. The government bears part of the interest charged to borrowers in the form of interest subsidies. Initially, the interest borne by borrowers was 12%, then reduced to 9%, and finally to 6% through Ministerial Regulation Number 8/2019 specified on the Guidelines of the Implementation of the Kredit Usaha Rakyat. Specifically for Super Micro KUR, the interest borne by borrowers is 3%. Based on data from

the Credit Program Information System (SIKP) of the Ministry of Finance, the total distribution of KUR until 2022 reached Rp1,318.7 trillion and reached 44.1 million borrowers.

In 2023, BRI (Bank Rakyat Indonesia) became the top KUR distributor with a loan disbursement value of Rp163.3 trillion to 3.5 million borrowers. The second position is held by Bank Mandiri with a KUR disbursement achievement of Rp34.24 trillion to 320,675 borrowers. BNI (Bank Negara Indonesia) disbursed Rp17.8 trillion. Bank Syariah Indonesia (BSI), as one of the Sharia-compliant KUR distributors, achieved a disbursement of Rp11.9 trillion to 119,948 borrowers until November 2023.

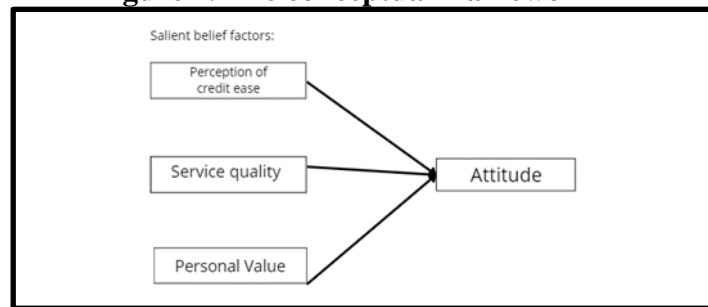
Women empowerment. Sahay (1998) states that empowerment is a dynamic and multifaceted journey that enables women to recognize their complete identity and abilities across all aspects of life. Sooryamoorthy and Gangrade (2001) mentions that women's empowerment entails granting women equal opportunities and the freedom to cultivate their own development. The fifth point of the Sustainable Development Goals (SDGs) is to achieve gender equality and empower women, one derivative of which is to provide equal rights to women in accessing financial service qualities (Bappenas, 2022). Kabeer (2000) reveals that empowering women economically can increase their access to resources such as education, healthcare, and property, leading to enhancements in their overall welfare and a decrease in poverty levels.

Muslim women MSME entrepreneurs in Indonesia. In 2021, out of a total of 64.2 million MSME owners in Indonesia, about 64.5% or approximately 37 million of them are women. Until now, there has been no specific number indicating the exact total of Muslim women MSME owners. Research by Rafiki & Nasution (2019) found that culinary ventures are a popular choice among Muslim women MSMEs, alongside the trading sector (daily necessities, fashion, etc.). The primary motivation driving Muslim women to start their businesses is economic incentives (Sakai & Fauzia, 2018). Success barriers for Muslim women entrepreneurs include factors such as business experience, limited opportunities for market research and professional development, as well as access to new markets and customers (Rafiki & Nasution, 2019).

Fortunately, with the growing awareness of the need to develop Women Muslim MSMEs, many organizations have emerged with a focus on the development of these enterprises. These organizations are the Association of Muslim Women Entrepreneurs throughout Indonesia (ALISA) Khadijah ICMI (Indonesian Muslim Intellectuals Association), the Indonesian Muslim Businessmen Association (PERSAMI), the Indonesian Muslim Businesswomen Association (IPEMI), and communities that support Muslim women's MSMEs such as the Muslimah Entrepreneur Community (KWM) and the Jogja Muslimah Preneur Community (JMP).

The conceptual framework (Figure 1) is derived from Ajzen's Theory of Planned Behavior. Ajzen (1991) asserts that attitude significantly shapes one's intentions, with attitudes typically developing logically based on how individuals perceive an object. Essentially, people tend to form beliefs about an object by connecting it with specific characteristics or attributes. Schwartz (2012) characterizes attributes as assessments of objects as either positive or negative, desirable or undesirable.

We can investigate the reasons behind people's attitudes by assessing their beliefs (Ajzen, 2002). In this research, three prominent belief factors—namely, the perception of credit ease, service quality, and personal values—were proposed to impact attitudes toward KUR application.

Figure 1. The conceptual framework

Source: Ajzen (1991)

Perception of credit ease

The perception of ease is explained by Setiawan (2017) as a belief regarding the decision-making process. Perception of credit ease is typically associated with loan application procedures, collateral requirements, and repayment installments (Anjani & Purnamasari, 2023; Karanja, et al., 2014).

H1: Perception of credit ease has a positive influence to attitude towards KUR application

Service quality

Another equally important aspect that individuals consider when applying for a loan is service quality. It includes the availability of service offices in many locations, the staff serving customers, and the speed of the process (Hakim, 2021).

H2: Service quality has a positive influence to attitude towards KUR application

Personal value

Attitude toward a behavior is influenced by an individual's beliefs about the outcomes resulting from performing that behavior, as well as the individual's evaluation of those outcomes (Fishbein & Ajzen, 1980). Personal values are individual principles that guide behavior. One of the ten personal values outlined by Schwartz (2012) is achievement. Achievement value emphasizes demonstrating competence to surpass cultural standards, thereby gaining social recognition. One of the motivations for female entrepreneurs to enter the business world is the desire for success. Through success, female entrepreneurs can gain recognition from others and also have a positive impact not only on themselves but also on their families and surroundings. Success, according to Schwartz (2012), falls under the value of achievement.

H3: Personal value has a positive influence to attitude towards KUR application

RESEARCH METHOD

Instrument development

In terms of constructing the instrument, all components were derived from existing publications but modified as needed in terms of language. Items measuring attitude were adapted from Ajzen (2006), Claudy, et al (2015), Pillai & Sivathanu (2018). Measurement of perception of ease of credit were derived from Anjani and Purnamasari (2023) and Karanja, et al. (2014). Items assessing service quality were adapted from Hakim (2021), whereas items measuring personal value were taken from Schwartz (2012) and Briggs, et al. (2010). All items were assessed on 5-point Likert-type scales range from "strongly disagree" to "strongly agree". The background information used to describe the subjects inclusive of age, location, education, business age, business sector, and monthly revenue.

Sample and data collection

Data was gathered from respondents through questionnaires. The participants were 100 Muslim female MSME owners in culinary sector, who had been operating their businesses for a minimum of six months, and are residing in the Jakarta area. The descriptive characteristics of the respondents are shown in table 1.

Table 1 Measurement Items

Construct	Code	Items	References
Perception of credit ease	PC1	I think KUR application process is easy	Anjani and Purnamasari, 2023; Karanja, et al. 2014
	PC2	In my opinion, requirements for KUR application are not rigorous	
	PC3	KUR installment is affordable	
Service quality	SQ1	KUR service qualitys are available at many banks and financial institutions, both conventional and Islamic	Hakim (2021)
	SQ2	KUR personnel are very helpful	
	SQ3	KUR application is served quickly	
Personal Value	PV1	I will work hard to succeed my business	Schwartz (2012); Briggs, et al. (2010)
	PV2	I aspire to influence or make an impact on others	
	PV3	I desire to have an impact on events around me	
Attitude	ATT1	KUR has a lot of benefits for MSMEs	Ajzen (2006), Claudy, et al (2015), Pillai and Sivathanu (2018)
	ATT2	KUR helps MSMEs	
	ATT3	KUR helps my business	

The current study utilizes Partial Least Squares – Structural Equation Modeling (PLS-SEM) to evaluate the impacts of perception credit ease, service quality, and personal value on attitude. PLS-SEM is a variance-based structural equation method suitable for predictive and explanatory research, known for its adaptability to small sample sizes, handling of non-normality, and treatment of formative constructs. The developed model is implemented using Smart-PLS 3.3 software. PLS-SEM is applied to both a measurement model and a structural model. The measurement model involves validity and reliability assessments, employing factor loading (FL), Variance Extracted (AVE), Cronbach’s alpha (CA), and Composite Reliability (CR) to evaluate convergent validity. For FL and AVE, values equal to or greater than 0.5 are recommended, while CR and CA values should exceed 0.7. Discriminant validity is evaluated through Fornell-Larcker and cross-loadings tests, with model fit assessed using SRMR, Chi-Square, and NFI.

The structural model evaluation includes criteria such as coefficient of determination (R^2), blindfolding-based cross-validated redundancy measure Q^2 , and significance of path coefficients. A positive Q^2 value indicates predictive relevance in the path model. R^2 values of 0.25, 0.5, and 0.75 are considered weak, moderate, and substantial, respectively, although acceptable thresholds can vary depending on the context.

RESULT AND DISCUSSION

Model fit testing

Before proceeding with outer and inner model testing, the model fit test (Model Fit) is conducted initially. This test evaluates the adequacy of the proposed model. According to Hair, et al. (2017), researchers need to exercise caution when interpreting the outcomes of model fit testing due to the lack of consensus on critical threshold values for each test type. Table 3 provides the model suitability tests in SmartPLS, including SRMR, NFI, and Chi-Square.

Table 2. Model Fit Testing

Index	Critical Value	Saturated Model
SRMR	< 0.08 / < 0.1	0.134
NFI	Closed to 1	0.686
Chi-Square	Closed to 0	307.755

The outcomes of the examinations satisfy the threshold criteria for the NFI (0.686), indicating that the research model can be deemed satisfactory. As clarified by Hair et al. (2017), it's unnecessary to rely on all index values for model validation.

SEM-PLS requirements

Testing using SEM-PLS necessitates the absence of missing values, outliers, and multicollinearity. Missing values occur when respondents fail to complete one or more indicators of a construct, resulting in data loss and compromising data reliability. Outliers manifest when respondents provide excessively extreme responses to a question or the entire questionnaire, leading to potential unreliability in test results, as stated by Hair et al. (2017). Multicollinearity arises when there is a strong linear or lateral relationship between indicators within the construct of a model.

Additionally, for evaluating the PLS model, we follow the procedure outlined by Hulland (1999). Testing the PLS model involves two sequential steps to ensure the validity and reliability of measurements before drawing interpretations. The first step assesses the validity and reliability of measurements (outer model), while the second step examines the structural model (inner model).

Measurement model (outer mode) results

This study assesses the validity and reliability of measurements, as outlined by Hair et al. (2017). This phase involves conducting three tests: (i) assessing the reliability of individual items, (ii) evaluating the convergence of measurements, and (iii) examining the discrimination validity (Hulland, 1999). Hair et al. (2017) specifies several criteria for evaluating the reliability of individual items, including: (1) items with loading values exceeding 0.7 are retained; and (2) items with loading values between 0.3 and 0.7 are retained, provided that removing the item increases the AVE value to 0.5 or higher. Based on the results, we can conclude that all the items meet the criteria (see table 3).

Table 3. Outer Loadings Construct Item

Item	ATT	PC	SQ	PV
ATT1	0.910			
ATT2	0.940			
ATT3	0.812			
PC1		0.894		
PC2		0.936		
PC3		0.896		
SQ1			0.655	
SQ2			0.881	
SQ3			0.895	
PV1				0.703
PV2				0.681
PV3				0.978

The AVE value serves as the benchmark for assessing convergence validity and it satisfies the criteria (see Table 4). The AVE values derived from all variables surpass 0.5, indicating that each item adequately captures its respective construct. Regarding reliability assessment, it

is established under the condition that composite reliability exceeds 0.7 and Cronbach's Alpha surpasses 0.6, as outlined by Hair et al. (2017).

Table 4. Reliability and Construct Validity

Construct	Cronbach's Alpha	rho-A	Composite Reliability	Average Variance Extracted (AVE)
ATT	0.870	0.896	0.921	0.796
PC	0.896	0.920	0.934	0.826
SQ	0.739	0.748	0.856	0.669
PV	0.825	2.674	0.837	0.638

Discriminant validity testing is utilized to ascertain the extent of difference between one indicator and another. If the square root of the AVE for each construct is higher than the correlation value between constructs and other constructs in the model, then the model is considered to have good discriminant validity (Fornell & Larcker, 1981). Based on the results of the Fornell-Larcker criterion in Table 5, it can be observed that all constructs exhibit good validity because the square root of AVE is greater than the correlation between constructs.

Table 5. Fornell-Larcker criterion

	ATT	PC	SQ	PV
ATT	0.892			
PC	0.566	0.909		
SQ	0.614	0.767	0.818	
PV	0.293	0.088	0.099	0.799

Cross-loadings testing is also used to examine discriminant validity. An indicator is valid if the loading values of each indicator on its construct are higher than its cross-loadings values. In Table 6, it can be observed that the indicator values on their respective constructs are higher than their cross-loadings values. Therefore, it can be concluded that the convergent validity standard is met.

Table 6. Cross-loadings

	ATT	PC	SQ	PV
ATT1	0.919	0.415	0.490	0.349
ATT2	0.940	0.445	0.526	0.355
ATT3	0.812	0.637	0.614	0.091
PC1	0.430	0.894	0.667	-0.006
PC2	0.478	0.936	0.697	0.059
PC3	0.602	0.896	0.718	0.159
SQ1	0.478	0.239	0.655	0.235
SQ2	0.476	0.822	0.881	-0.033
SQ2	0.540	0.791	0.895	0.044
PV1	0.047	-0.045	0.030	0.703
PV2	0.064	-0.032	0.012	0.681
PV3	0.335	0.119	0.113	0.978

Another analysis is multicollinearity testing. Multicollinearity occurs when latent variables correlate with each other, resulting in inaccurate regression outcomes. The VIF (variance inflation factor) value is used to check the level of multicollinearity in the regression model. This is done by calculating the variance of the regression coefficients of latent variables and explaining how much variance of one latent variable can be explained by other latent variables

in the research model. The Tolerance value is used to measure the variability of selected latent variables that cannot be explained by other latent variables. Multicollinearity occurs when the Tolerance value < 0.10 or the VIF value > 10 (Hair, et al., 2014). Based on Table 8, it can be seen that the VIF values of all indicators are < 10 , so it can be concluded that there is no multicollinearity issue, thus the interpretation of the analysis results is reliable.

Table 7. Collinearity Statistics

Items	VIF
ATT1	7.173
ATT2	7.803
ATT3	1.550
PC1	3.638
PC2	4.518
PC3	2.150
SQ1	1.120
SQ2	3.267
SQ3	3.296
PV1	2.457
PV2	2.313
PV3	1.526

Structural model testing (inner model) results

Following the assessment of the measurement model, which was determined to be both reliable and valid, path analysis was conducted to examine the relationships within the structural model among the constructs using PLS-SEM. This involved calculating path coefficients and assessing their significance, reflecting the proposed connections between different research constructs (see Table 9), as well as evaluating the levels of R^2 values (see Table 9 and predictive relevance Q^2 (see Table 10).

Table 8. Structural relationships and results of hypothesis testing

Hypothesis	Path	coefficient	Standard Deviation (STDEV)	t-statistics	p-values	Decision
H1	Perception of credit ease → Attitude	0.224	0.128	1.742*	0.082*	Significant
H2	Service quality → Attitude	0.419	0.145	2.889**	0.004**	Significant
H3	Personal value → Attitude	0.232	0.148	1.572	0.116	Not Significant

Notes: **t-value 1.96 (sig. level = 5%); *t-value 1.65 (sig. level = 10%)

The structural model is assessed using the Coefficient of Determination (R^2). The R^2 value, ranging from 0 to 1, indicates the extent to which a combination of independent variables collectively influences the value of the dependent variable. Table 10 shows R^2 value of 0.452, which approaches the moderate category. This indicates that attitude towards KUR application is influenced by 45% by perception of credit ease, service quality, and personal value.

Table 9. R-square

	R-square
ATT	0.452

To assess predictive relevance in this study, Q²Stone-Geisser is utilized. A Q² value > 0 indicates that the model has good predictive relevance, whereas a Q² value < 0 implies that the model lacks good observation values. A Q² value of 0.02 is considered small, 0.15 is considered moderate, and 0.34 is considered large (Hair, et al., 2017). As we see in Table 10, Q² is 0.324, close to 0,34, indicating construct has large predictive relevance.

Table 10. Q-Square

	Q-square
ATT	0.324

Discussion

First, this study examines the direct correlation between the perception of credit ease and the attitude towards KUR applications. The findings indicate that for Muslim female MSME owners, the influence of perception of credit ease on their attitude towards KUR applications is significant. Easily accessible procedures, non-burdensome requirements, and affordable installments have been proven to positively influence the attitude towards KUR applications. 65% of respondents stated that the KUR application process is easy, 70% mentioned that KUR requirements are not burdensome, and 75% considered KUR installments to be affordable. Currently, KUR applications up to 50 million do not require collateral, and loans can be repaid over a period of 3 years. Soft and adequate loans, reasonable accessibility, along with simple processing and low margins, are key factors influencing the attitudes of small-scale industry owners towards lending services (Selvaraj and Balajikumar, 2015).

The past studies conducted by Mustafa, et al. (2023) that ease of credit significantly affects the credit-making decisions of MSME owners and by Anjani and Purnamasari (2023) which revealed that the perception of loan accessibility positively impacts the interest in applying for Super Micro KUR during the pandemic support the result of this study. Furthermore, Tolba et al. (2014) found that the perception of SME owner-managers towards loan providers is positively associated with their intention to finance their business through commercial bank loans. Difficult lending procedures and collateral requirements discourage women entrepreneurs from accessing credit services (Karanja et al., 2014).

Second, attitude towards KUR applications is positively influenced by service quality. 60% of respondents stated that KUR services are available in many places, 80% mentioned that KUR service officers are very helpful, and 74% said that KUR application process is fast. These three aspects have been proven to influence the attitudes of Muslim female UMKM entrepreneurs towards KUR applications. Currently, the Indonesian Government has appointed 44 financial institutions as distributors of KUR, both conventional and Sharia-compliant. Moreover, KUR applications can now be accessed online. The processing of KUR applications, from submission to disbursement, takes between 7-14 days. This result is in line with the study conducted by Jeyaraj and Prakash (2017) that shows the processing time of loan applications affects attitudes towards the funding services.

Third, personal value, specifically the value of achievement, do not positively influence attitudes towards KUR applications. Despite the fact that Muslim female MSME owners aim for business success (98%), and giving impacts on others (97%) and on events around them (99%), this does not necessarily affect their views on KUR applications. Research by Ismail et al. (2014) shows that personal values, in this case religiosity, are weak predictors in explaining attitudes towards credit card usage. A different result can be found in Van Schalkwyk and Bevan-Dye (2020) that value of materialism is a significant predictor of attitude towards money and credit. Inglehart (1997) stated that opportunities and individual choices vary according to

the wealth of society. In advanced settings, individuals enjoy economic autonomy, enabling them to choose from various motivations and pursue personal objectives (Welzel & Inglehart, 2010).

This study also found that 64% of respondents have monthly income below Rp5 million, indicating that the income of Muslim female MSME owners is still relatively small. Factors such as capital, employment, social connections, and business development are found to significantly contribute to MSMEs' income (Dewi, 2019). Therefore, government and NGO must work together to assist MSME owners with business assistance and various training to help increase MSMEs' sales. Unfortunately, 37% of respondents do not have business permits, which are one of the requirements for loan applications. By registering their business, MSME owners can access many opportunities such as trainings, business assistance, and connections to marketing channels and vendors. Though the Government has provided online business permit services through OSS (online single submission) system, many MSME owners are still do not use it to assist them getting legal papers for their business. Another finding is 81% of respondents do not document their business reports, while financial reports can improve the performance of business units hence increasing income (Supatmin, et al., 2022). Financial reports are also used by creditors to assess the credibility of loan applicants.

According to the answers of the questionnaires, out of 100 respondents only 49% are KUR borrowers. Although the attitude of Muslim women entrepreneurs in MSMEs towards KUR is very positive, with 85% considering KUR beneficial and 84% stating that KUR helps UMKM, only less than half actually take out KUR loans. From the 51 respondents who did not apply for KUR, 36 individuals or 71% have a monthly income below Rp5 million. Lastly, public knowledge of Sharia KUR is moderate, with 78% of respondents stating that they are aware of the Sharia KUR program. The result indicates that there is opportunity for Sharia-compliant KUR distributors to increase their share of KUR distribution by continuously promoting Sharia-compliant KUR programs to the public. Currently, the distribution of Sharia-compliant KUR is still very low compared to conventional KUR. Ideally, in Indonesia with its large Muslim population, Sharia-compliant KUR should be the primary choice for MSME owners when applying for credit.

CONCLUSION AND RECOMMENDATION

The paper aims to investigate the direct correlation between the perception of credit ease, service quality, personal value and the attitude towards KUR applications. The outcome emphasize that easy procedures, non-burdensome requirements, affordable installments, and good service quality are factors that need to be considered to increase the interest of MSME owners in the KUR program. With increased access to KUR, it is expected to boost the performance of Muslim female MSMEs, ultimately improving their quality of life and that of those around them. The Government and related parties should create empowerment programs, including skill and managerial trainings, for female MSME so that they can improve their business performance and income. The Government also need to enhance MSMEs awareness to register their businesses to obtain business permits, which will give them many benefits from access to business assistance to marketing channels. At the end, the success of MSMEs is not only will affect themselves and those around them, but also has the potential to reduce unemployment and alleviate poverty. On a larger scale, the success of MSMEs can contribute to the country's economy.

This study is limited to culinary businesses run by Muslim women located in Jakarta and on KUR program in general. Further research on shariah-compliant KUR and on other business sectors with larger samples and wider areas is highly recommended.

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