

MOTIVATION AND OBSTACLES FACED BY WOMEN HALAL FASHION ENTREPRENEURS AND ROLE OF THE BUSINESS ON WOMEN'S ECONOMIC EMPOWERMENT IN YOGYAKARTA INDONESIA

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Abstract

Purpose – The aim of this paper is to analyze motivation and obstacles of women entrepreneurs in running their business and how the role of the business on women economic empowerment.

Design/Methodology/Approach – The data were collected through an in-depth interviews on three key informants and survey via structured questionnaires conducted on 42 of entrepreneurs and female employees in the field of halal fashion in Yogyakarta city and its surrounding districts to gather information on their motivation and constraints in running the business and also the role of the business to the respondent's economic empowerment. Using the mixed methods, the research is conducted in Yogyakarta province which is an example of cultural diversity as an educational and cultural center in Indonesia.

Findings – The result of this study show that motivation in running a business comes from themselves affected by the existing environment. The obstacles encountered are the high price of raw material causing highly production costs and highly selling price. Meanwhile, capital problem associated with the lack of confidence especially in the Islamic financial institutions also occurred. The results of chi-square test show that the business play a role in empowering the economics of the respondents through employment opportunities, income, and increased authority on making decisions. The special programs / training supported by technology in business practice should be held to improve the quality of existing business.

Practical implications – The practical implications extend to policy holders and practitioners in Islamic finance and banking to improve the better cooperation between halal capital providers and entrepreneurs in order to develop halal fashion business in Indonesia

Originality/value – This study is one of the first to investigate the motivation and obstacles of women entrepreneurs in running their business and how the role of the business on their economic empowerment in Yogyakarta Indonesia.

Keywords: *Halal Fashion, Motivation and Obstacles, Women's Halal Fashion Entrepreneurs, Women's Economic Empowerment*

INTRODUCTION

Discussion about halal lifestyle is not only escalating into Indonesian society, but has become a subject on the world stage. Since 2000, Indonesian Muslim Women who wears a headscarf found everywhere not limited socio-economic and cultural status. Muslim dress is no longer a Muslim identity, but has become a social identity in the community not only in Indonesia but even around the world. This means that halal lifestyle in Muslim dress is expected to increase along with the growing demand. This is in line with Thomson Reuters Report (2015) that total clothing expenditure of Muslim population of the world reached 244 billion USD or 13.56 percent of the total Muslim consumer spending of 1.8 trillion USD, and is expected to grow along with the increasing economic Muslim countries. This phenomenon in fashion business will open opportunities to compete for the world stage in the face of the global market. Indonesia as the largest muslim population of the world can be a business opportunity and market share positioned in this halal fashion industry.

Yogyakarta is one of the special provincial-level areas in Indonesia which is a fusion of the Sultanate of Yogyakarta and the Paku Alaman Duchy. This special region is well-known nationally, and internationally, primarily as a leading tourist destination after the province of Bali. Aside from being one of the cultural and tourism cities, Yogyakarta is also known as a student city where the majority of the population (90.96%) are Muslim (BPS, 2000) with various ethnic backgrounds. One specialty of this area is related to culture that is the Cultural Authority is organized to preserve, and develop the result of creativity, taste, intention, and the work in the form of noble values, knowledge, norms, customs, objects, arts, and noble traditions in Yogyakarta society which is further regulated in (Indonesian Law No. 13, 2012).

Associated with the economy especially trade, textile apparel is one of the products that have the highest export value (BPS, 2000). Yogyakarta has diverse cultural potentials, both tangible (physical) and intangibles (non-physical) cultures. Tangible cultural potentials include cultural heritage areas and cultural heritage objects while intangible cultural potentials such as ideas, value systems or norms, artwork, social systems or social behavior are present in society. Some of these data make Yogyakarta as an area that holds great potential for the development of halal industry one of them in fashion (Nugraha, 2017).

As one of the provinces that can be called as miniature of Indonesia, in terms of education (student city) there are state and private Islamic universities in Yogyakarta which almost consumer majority are women. This is not directly proportional to

the producers or shops in Yogyakarta. Even if there are shops or boutiques only certain places are crowded. If this is left alone it is very unfortunate. This is a golden opportunity for women that can be done at home. The idea and initiation of the government is very good but for the middle lower class what container of efforts made to deceive the economy of the city of Yogyakarta. Based on these facts, in this case the researcher wants to explore motivation and obstacles of the entrepreneur in advancing his business after the spread of Islamic headscarf (Muslim dress), and how the role of business in empowering women's economy in Yogyakarta.

LITERATURE REVIEW

Halal Fashion in Islam

Halal means something which has been sanctioned by Islamic law (Rezai, Zainalabidin & Mad, 2012). Muslim dress (hijab) in accordance with the provisions of sharia is required for a Muslim woman, this is to maintain themselves and is an honor by covering the *awrah* (Labib, 2006). *Awrah* etymologically means "defectiveness", "imperfection", "blemish" or "weakness", as according to sharia that is what is required to close it and is forbidden to be seen.

There are some Muslim women that think that the headscarf or clothing that cover the genitals that restrict their freedom in dressing up and in the association, whereas the limit associated with the dress is one of them aims to protect and maintain themselves primarily to create happiness, glory and tranquility for the household (Labib, 2006). This is in accordance with the Word of God. In QS. An Nur: 31 where in it are mentioned clearly some things that are commanded to the faithful woman that is; Guarding the view, keeping the genitals, not showing the jewelry, covering the veil to his chest.

Urgency of Hijab, Female Position, and Identity

The hijab symbolizes the commitment of Muslim women to Islamic principles. Nowadays, there are many types of hijab available in the market, and among the most popular is the ready-to-wear (RTW). (Latiff, N.S. & Yusof, N.A., 2016) The headscarf or veil is basically known for a long time and from time to time, before the advent of Islam, as in the countries of Greece and Persia have known the name of the hijab, but from this distinguishing side is the essence of the hijab itself for the wearer. For example in the Persian region, the veil is used to distinguish noble women from common women and married women (still married or widowed) (Bahtiar, 2009). While in the Greek region, the veil is closely related to the theology or the mythology of menstruation in which the man who is menstruating is considered dirty, exiled, and wearing the hijab. In the tradition of Arab society, the veil has been known since before the advent of Islam. It's just that, in pre-Islamic times, their heads were closed but their chests were left open (Bahtiar, 2009). The nature of the veil in Islam is the cover of *awrah* for women, not just a mere head covering let alone the trend.

In the early days of development, clothing or clothing is worn as a body armor from sunburn and coldness only. However, if we can understand more deeply, clothing becomes an important part of human life because it contains elements of ethics and aesthetics in society. In Islam, dressing is not just covering the body, but is an identity for ourselves as a dignified and moral Muslim one of them is by maintaining *aurat* for both men and women. For Muslim clothing, one commonly used term is hijab. Hijab is a set of clothing consisting of a hijab that usually consists of a veil, shirt, and long rock that is not transparent, not tight and does not resemble the men's clothing used to cover the *aurat* of Muslim women from the tip of the hair to the sole of the foot, except the face and the sole hand. The command of hijab as a form of obedience to Allah SWT so that His servants are more protected and more able to keep the sanctity for themselves and their hearts (Quran. an-Nur: 31 and 60, Al-A'raf: 26, and Al-Ahzab: 53 and 59) (Yasin, 2015).

According to halal fashion business, it should be underlined that this and commerce disseminate a new paradigm for the stakeholders, where maximum profit is not the sole objective in business. It must also be followed by the initiatives ensuring spiritual achievements. As a business organization, Shari'ah-compliant firms are expected to promote Islamic values in their operation. (Rahman, et al., 2017). The increasing prevalence and importance of status brands (SBs) is important because consumers spend more on products and brands that possess a higher level of quality and symbolize status (O'Cass, A., Lee, W.J., & Siahtiri, V., 2013)

Women's Economic Empowerment

Normatively, the position of women and men is parallel. However, in real life it is often precipitated what is commonly referred to as the gender stratification which places the status of women in a hierarchical level at a subordinate position or not exactly paralleled to the position of men (Pula, F & Justina, S, 2016). This is one of them characterized by economic disparities (differences in access to economic resources) (Usman, 2012). Women's empowerment, especially in economics, helps women to think creatively in conducting economic business activities that can help the family economy. Such empowerment includes business development, knowledge of information on venture capital and the business market. All that is one effort to improve the welfare of the family and the creation of a prosperous family (Bahtiar, dkk, 2013). As one of the important role holders in the family of women must still have a noble dream to maintain the spirit of life and motivation for himself, his family and the environment.

The main factors that directly affected women's empowerment are gender inequality; Which includes several factors i.e. gender inequality in the labor market, women's participation in family heritage, authority in accessing property, and education. The economic empowerment of women is a necessity for a healthy state and a developed Economy.

The fact that women did not inherit any property from their Families is one of the key barriers and factors that prevent the advancement of women in economy, Then limited education, etc. Experiences in the country and the world has proved that returns to investments in women's businesses are manifold either by encouraging economic Development or by creating social stability in the country, and sustainable economic Development. Return multiple businesses if women by stimulating economic development in the country and set up social welfare and creating social stability in the country.

Some strategies ([Asy'arie, 2007](#)) that can be applied in order to empower the people's economy are 1) the affirmation of Islamic education identity among others, 2) The establishment of an economic community through sustainable coaching programs 3) Religious institutions should be the centers of defense of the poor and the poor, 4) Empowerment of religious social institutions, 5) The establishment of economic empowerment community of people, either through the economic majlis, cooperatives, communication forums, etc, 6) Entrepreneurship cultures through Islamic education. In addition, the indicators of successful economic empowerment of business actors include: 1) Increasing welfare, 2) Business development, 3) Increasing awareness of the welfare of surrounding communities, 4) Increasing self-reliance, and 5) Increasing income distribution.

METHODOLOGY

This research used mixed method approach. The first objective was achieved by using a qualitative approach from primary data sources obtained from interviews for female entrepreneurs in the field of halal fashion in Yogyakarta. The data validity strategy used is triangulation in which different data sources to examine evidence for these sources and use them to coherently justify themes. Themes built on a number of data sources or perspectives from the participants will add to the validity of the research ([Creswell, 2012](#)).

The second objective is achieved by using both of the quantitative and qualitative approach with primary data source obtained from questionnaires data filled by respondents with purposive sampling method with some criteria that is Muslim respondents, respondents are domicile in Yogyakarta, and respondents are willing to fill in the provided questionnaire. The sample used is as much as 42 entrepreneurs and female employees in the field of halal fashion in Yogyakarta city and its surrounding districts. The data obtained is processed and analyzed using microsoft excel and SPSS. Chi-square test by SPSS will be used to analyze the data, the hypothesis has been developed to know the relationship between several variables namely;

Ho: Businesses do not play a role in empowering women's economy.

Ha: Businesses play a role in empowering women's economy.

DISCUSSION RESULT

Motivation and Obstacles Faced by Women's Entrepreneurs

From the results of interviews for three informants found that motivation in running a business is different from one to another i.e: by chance, the effort to rise from a failure, the influence of the environment, in order to emulate the Messenger of Allah, and as one of the successful businessmen, and the economic motivation to help the family economy and to have their own self-discipline so that it can be more independent. According to the constraints felt by the informant, it asserted that the increase in selling prices with the increase in the price of imported raw materials. This is very unfortunate, seeing Indonesia has a large area, but not able to provide raw materials such as cotton for example to support the textile industry in particular. Other informants stated that the cost of production in Yogyakarta is relatively expensive so that for the production of goods need to bring from other regions such as West Java (Tasik), Jakarta, Solo (klewer). The goods are traded partly own production and some others take from other distributors. Besides related to the capital also becomes a separate problem on business actors, one of the informants stated that they are unwilling to deal with the bank even though the sharia bank to get additional capital, other sources get additional capital from conventional banks with relatively small interest and the possibility of interest increases increasing time. Lack of understanding of Islamic banking makes them equated capital assistance in the form of financing in Islamic banks or credit in conventional banks.

Business Role in Empowering the Economics of Respondents

The analysis shows that halal fashion business play a role in empowering the economy of the respondents through employment opportunities, increased authority on making decisions (in their households), and in terms of income. From the opinion of the respondents can be seen that the existence of employment and income can increase the authority of the respondents in making decisions particularly in several aspects. 25 (60%) of respondents said that by working or running a business can increase their authority in making property decisions, and 33 (79%) said that their authority also increased in decision making on the purchase of livestock, vehicles and goods Other valuable. Total of 40 (95%) of respondents use their income for family needs along with their own needs. Businesses are also felt by as many as 34 (81%) respondents can improve their education and / or their families. And as many as 35 (83%) of respondents think that the business they work with they run can empower their economy in terms of employment and income.

Enhancement of Human Resources and Business Development through Training and Use of Technology

In terms of education as mentioned in respondent's self-description data can be seen that the majority of 27 (64%) of respondents are high school education, while the rest as many as 15 (36%) respondents had junior school education, vocation, bachelor degree, and master degree. From these data indicate that the respondents have been educated at least in junior high school level which usually is illiterate. Nevertheless, as an effort to improve the quality of existing human resources, there needs to be training that can improve the skills in the business / business where they work.

From the data obtained from the respondents, 31 (74%) of respondents said that there is no special program or training that can improve economic empowerment in the place where they work. And therefore as many as 26 (62%) of respondents felt that special programs or training did not change their lives. In terms of technology to support business development, 23 (55%) of respondents said that in the business where they work have used certain technology in production process or business development and as many as 22 (52%) of respondents think that the technology is useful in developing existing business.

CONCLUSION

This paper discuss about motivation and obstacles faced by halal fashion business entrepreneur and role of the business in empowering women's economy in Yogyakarta. Using primary data collected through an in-depth interviews on three key informants and survey via structured questionnaires conducted on 42 of entrepreneurs and female employees in the field of halal fashion in Yogyakarta city and its surrounding districts, , it was found that motivation in running the business comes from themselves and influenced by the existing environment. Awareness of business opportunities along with increasing consumer demands has also existed. The obstacles in running the business are the increase in raw material prices that impact on the high cost of production and the increasing of selling prices. Relatively high cost of production in Yogyakarta requires business actors to import goods from other regions. Lack of capital is also becomes a separate problem on business actors. Another finding is lack of confidence in financial intermediary institutions which is also felt by business actors, especially in Islamic financing system.

It is also noticeable that the halal fashion business had a positive impact on empowering women's economy. Halal fashion business has a role in empowering the economy of women through the provision of employment and income which then affects the increased authority of women on making decisions on several aspects of household activities.

The results of the existing analysis asserted that when women have income, they use the income for their own needs and their families. This makes women more independent in terms of leveraging their income as well as increasing the authority in making decisions especially related to their household needs. Along with the increasing competition between business actor to meet the needs of the community, the need for efforts of business that is run to improve the existing quality. The special programs / training should be held to improve the quality of existing business. In addition, technology is also an important thing in developing a business in order to be more instrumental in improving economic empowerment of the workers or owners of the business.

LIMITATION AND STUDY FORWARD

This study only examined a number of halal fashion businesses in the city of Yogyakarta and its surroundings, further research is expected to expand the research sample so that the results can represent the entire area of Yogyakarta. More recent references also need to be included to deepen the analysis in future research.

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