



WOMEN'S EMPOWERMENT IN MSMES: ANALYSIS OF SOCIAL AND ECONOMIC IMPACTS

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ABSTRACT

Empowering women in Micro, Small, and Medium Enterprises (MSMEs) plays a crucial role in achieving inclusive and sustainable economic development. This research focuses on analyzing the social and economic impacts of women's empowerment efforts in the MSME sector. Using of literature review, the study aims to illustrate the contributions of women's empowerment to economic development and social well-being. The research findings indicate that women's empowerment in MSMEs has positive economic impacts by increasing their participation in business activities. The implementation of training and mentoring programs has proven effective in enhancing women's managerial and entrepreneurial skills, contributing to increased family income. Socially, women's empowerment also creates positive effects by enhancing their roles in family decision-making and community involvement. Through a profound understanding of these impacts, this research provides a foundation for the development of more effective empowerment policies and programs. It involves various stakeholders to create an environment that supports the active role of women in MSMEs.

1. INTRODUCTION

Women's participation in Micro, Small and Medium Enterprises (MSMEs) is a potential component for strengthening the economy, both at the local and national levels, because it presents a number of significant benefits (Fauzia & Hasanah, 2023). Women are often the backbone of the family and have a strategic role in economic activities. It is important to recognize that MSMEs have a vital role in increasing economic growth and creating jobs (Aini, 2022). Women in MSMEs open the door to economic inclusivity by creating jobs, generating innovation in business, and bringing variety in the types of services offered. In addition, the involvement of women in MSMEs can increase productivity by enriching operational efficiency and business decision making. The income generated by women MSME entrepreneurs also has a positive impact on family welfare, while their participation helps respond to social and economic changes in the community. Women's participation in MSMEs is not only an individual contribution but also a strong pillar in building a sustainable and inclusive economy at all levels (Marthalina, 2018). However, the majority of MSMEs in the world, including those managed by women, still face significant challenges in terms of competitiveness, effective business management and access to broad markets. These challenges include limited capital, lack of access to education and business training, as well as problems in understanding and utilizing technology to improve operations (Susanti et al., 2023).

Women have great potential to act as agents of change in the economy. However, gender inequalities in access to resources, opportunities and support hinder their ability to contribute optimally. Empowering women in MSMEs can act as a solution to overcome this inequality. Empowering women in MSMEs has a positive impact not only at the economic level but also at the level of social welfare. By providing greater access for women to engage in economic activities, we can create an environment that supports sustainable economic growth (Widhyharto, 2015).

Women have the ability to manage businesses with unique skills, promote innovation, and create strong networks in local communities (Simanjuntak et al., 2023). Therefore, strengthening the role of

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women in MSMEs can have a positive impact in creating jobs, improving family welfare, and accelerating economic growth (Marthalina, 2018). Women's involvement in MSMEs is not always accompanied by an adequate level of empowerment. There are structural barriers, such as social norms that limit the role of women in the business world, lack of access to relevant education and training, and limited access to financial resources. Therefore, further efforts need to be made to overcome these obstacles and create an environment that supports women's participation and empowerment in MSMEs (Mutmainah, 2020).

By understanding this background, research on women's empowerment in MSMEs becomes increasingly important. Analysis of the social and economic impacts of women's empowerment efforts can provide in-depth insight into how increasing women's participation in MSMEs can shape a more inclusive and sustainable economy.

2. METHODS

This research uses a qualitative approach with a literature study method. Data was collected through a literature study regarding MSMEs managed by women. The research process involves searching and analyzing various related literature sources. Identification of information sources involves scientific journals, books and research reports related to women's empowerment and MSMEs. The literature is then analyzed with a focus on the role of women in MSMEs, the economic impact of micro and small businesses managed by women, and the social changes that may occur. The findings from the literature are then integrated to form a comprehensive picture of the impact of women's empowerment in MSMEs. This comprehensive analysis provides the basis for formulating in-depth conclusions regarding the contribution of women in the MSME context, as well as the social and economic implications that can be identified and achieved through empowering women in this sector.

3. RESULTS AND DISCUSSIONS

Analysis of the Social and Economic Impact of Women's Empowerment in MSMEs

Empowering women in Micro, Small and Medium Enterprises (MSMEs) has a central role in realizing inclusive and sustainable social and economic impacts. This research aims to analyze the social and economic impact of efforts to empower women in the MSME sector. Through literature studies, this research explores the contribution of women's empowerment to economic development and social welfare.

Social Impact of Women's Empowerment in MSMEs

Empowering women in MSMEs makes a significant contribution to sustainable social change (Fadliyanti et al., 2023). Analysis of the social impact of women's empowerment in MSMEs includes changes in the role of women in the family, its impact on community welfare, increasing family access to education and health, as well as the formation of strong networks and communities.

The Changing Role of Women in the Family and Society

Empowering women in MSMEs has made a major contribution to changing the role of women in the context of family and society (Raspati & Kadiyono, 2023). The results showed an increase in women's self-confidence and independence, which in turn increased their participation in family decision-making. Women who are economically empowered tend to have a more active role in preparing the family budget, managing finances, and planning the family's future (Fajri et al., 2023). This change has had a positive impact in overcoming traditional stereotypes about gender roles and providing a positive example for the younger generation. Women who manage MSMEs become strong role models, showing that women can be successful in the business world and have a big contribution in supporting the sustainability of the family and society (Fauzia & Hasanah, 2023).

Increasing Community Welfare

Empowering women in MSMEs has a positive impact on the welfare of society as a whole. Women who are economically empowered tend to allocate their additional income to meet the family's educational and health needs (Khayati, 2023). Additionally, economic growth fueled by women's empowerment creates additional employment opportunities in communities. Women who are successful in MSMEs tend to employ local workers, contributing directly to reducing unemployment rates and improving the overall well-being of the community. Thus, women's empowerment not only has a positive impact at the individual and family level but also at the broader societal level (Siscawati et al., 2020).

Increased Access to Education and Health

Empowering women in MSMEs has a positive impact on family access to education and health. Women who have a strong role in the family economy tend to give high priority to their children's education

(Zunaidi & Maghfiroh, 2021). The research results show an increase in the level of children's participation in formal education, with better financial support from parents involved in MSMEs. In addition, increasing family income through MSMEs creates better access to health services. Families who have better financial access can take advantage of quality health services, including routine health check-ups, prenatal care, and children's health services. This contributes to improving the general health of the family and reducing the burden of illnesses that can hinder the productivity of family members (Lenhart, 2019; McMaughan et al., 2020).

Formation of Strong Networks and Communities

Empowering women in MSMEs also creates strong networks and communities at the local level. Women active in business often form business groups or associations to support each other, share experiences and exchange ideas. This kind of community creates an environment that supports the growth and sustainability of MSMEs managed by women. Business networks formed by women can become platforms for collaboration, joint marketing, and exchange of resources. This provides multiple benefits, not only for network members but also for overall local economic growth. This solid community helps overcome the isolation often experienced by MSME owners, especially women, and creates an environment that supports the exchange of ideas and best business practices (Siscawati et al., 2020).

Challenges and Improvement Efforts

Even though the social impact of empowering women in MSMEs is very positive, there are still challenges that need to be overcome. Some women may face resistance or gender stereotypes in society that may limit their ability to engage in business. In addition, there needs to be further efforts to increase women's access, especially in rural areas or less developed communities, to training, education and financial support (Tabassum & Nayak, 2021). Other challenges include inequality in access to resources and opportunities, as well as a lack of support from adequate social structures and policies (Siscawati et al., 2020). Therefore, improvement efforts must include a comprehensive approach, including changes in social norms, strengthening regulations that support women's empowerment, and training programs tailored to the specific needs of women in MSMEs.

Economic Impact of Women's Empowerment in MSMEs

Empowering women in MSMEs has a significant impact on economic aspects, forming a strong foundation for the growth and sustainability of this sector. This research highlights the results and findings related to the economic impact of efforts to empower women in MSMEs.

Women's Participation in MSMEs

Women's active participation in MSMEs is an early indicator of the impact of empowerment. The study results show an increase in women's participation in various MSME sectors, from trade and services to production and manufacturing. Women who previously may have been limited to certain roles are now increasingly involved in the management and operations of their businesses (Dea, 2019). This greater participation not only creates new opportunities for women but also supports local economic growth. As the number of women managing MSMEs increases, there is diversification in the products and services offered, creating a richer and more diverse market. Thus, women's empowerment not only changes the structure of economic participation but also creates a more dynamic and competitive business environment (Susanti et al., 2023).

Increasing Women's Skills in Managing MSMEs

The research results show that empowering women in MSMEs through training and mentoring programs has a positive impact on improving managerial and entrepreneurial skills. Women who take part in this program report significant improvements in their understanding of financial management, marketing, and operational strategy. This provides a stronger basis for effective and efficient business management. With improved managerial skills, women can better identify business opportunities, manage risks, and optimize available resources. In this context, women's empowerment not only has an individual impact but also creates MSMEs that are more resilient and able to adapt to changes in the business environment (Pujari & Kamble, 2022).

Access to Capital and Financial Resources

One of the main obstacles faced by women in MSMEs is limited access to business capital. Women's empowerment programs often include providing access to loans, grants, or venture capital that can help scale and diversify businesses. The research results show that women who gain easier access to financial

resources have the potential to grow their businesses. Greater access to capital allows women to invest in better equipment, infrastructure and marketing. This, in turn, contributes to increasing the production and marketing capacity of women-managed MSMEs. The economic impact of access to capital is not only visible at the individual level but also in the overall contribution of MSMEs in increasing the contribution of the economic sector (IMF, 2019).

Contribution to Local and National Economic Growth

Empowering women in MSMEs has a significant long-term impact on economic growth. With increasing participation and economic contribution of women, the MSME sector becomes more dynamic and contributes more to a country's Gross Domestic Product (GDP). Empowered women create added value through innovation, product diversification and market expansion. In addition, economic growth triggered by empowering women in MSMEs creates positive chain effects, including increasing employment opportunities, per capita income and community welfare. Women who have a strong role in the local economy support sustainable community development, by contributing to infrastructure development, education and health (Pujari & Kamble, 2022).

Challenges and Improvement Efforts

Despite the positive impact, there are still challenges that need to be overcome in efforts to empower women in MSMEs. These challenges include limited access to education, a lack of strong business networks, and persistent gender inequality in some aspects of business life. Therefore, further efforts are needed to create a supportive environment, including stakeholder engagement, regulatory improvements, and gender equality campaigns. The economic impact of empowering women in MSMEs cannot be ignored. Empowered women bring significant changes in the structure and dynamics of the local and national economy (Purnamawati & Utama, 2019). Through greater participation, increased skills, access to capital, and contribution to economic growth, empowering women in MSMEs creates a more inclusive and sustainable business environment. Therefore, further investment and support from governments, non-governmental organizations and the private sector is essential to strengthen and expand these positive impacts, creating a more just and prosperous society.

4. CONCLUSION

Empowering women in Micro, Small and Medium Enterprises (MSMEs) is a crucial element in achieving inclusive and sustainable economic development. The role of women in the MSME sector not only has a positive social impact, but also has a significant contribution to the economy. Empowering women in MSMEs also brings positive social change. Empowered women tend to have a more active role in family decision making, budgeting, and planning for the future. This change has had a positive impact in overcoming traditional stereotypes about gender roles and providing a positive example for the younger generation. Women's participation in MSMEs has great potential to strengthen the economy, especially considering that MSMEs have a vital role in increasing economic growth and creating jobs.

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