

Empowering Women in Entrepreneurship: A Global Perspective on Socio-Economic Factors and Policy Interventions

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Abstract

This study explores the role of women's empowerment in promoting entrepreneurship, with a focus on how various socio-economic factors influence female entrepreneurship globally. Women's economic and social empowerment has become an essential component of sustainable development, contributing significantly to reducing poverty and fostering community development. The research highlights key factors that enable women to engage in entrepreneurial activities, such as access to financial resources, education, mentorship, and the dismantling of socio-cultural barriers. The method used in this research includes a qualitative literature review and data analysis through a descriptive approach. By examining previous studies from different countries, including Indonesia, India, and South Africa, the study provides valuable insights into the impact of financial inclusion, government interventions, and self-help groups on women's entrepreneurial success. Additionally, it emphasizes the importance of empowering women through educational programs and institutional support to foster greater participation in the economy. The findings suggest that women's empowerment is not only critical for personal and household economic growth but also for enhancing broader social and economic development. The study also identifies the challenges faced by women entrepreneurs and offers recommendations to address these obstacles for more effective empowerment policies.

Keywords

Women's Empowerment, Entrepreneurship, Socio-Economic Development, Financial Inclusion, Gender Equality.

1. Introduction

Women's empowerment in Indonesia has shown progress in various aspects, especially in improving access to the economy, education, and participation in decision-making. One example of an economic program, namely Islamic Microfinance programs such as Baitul Maal Wat Tamwil (BMT), provides women with access to microfinance, which allows women to develop micro-enterprises and increase economic independence (Quyen, 2020; Subburaj & Khaiyam, 2023). In addition, the application of renewable technologies such as Micro-Hydro Power (MHP) in rural areas also supports women's empowerment (Sharaunga et al., 2019). Then at the village government level, there is the Undang-Undang No. 6/2024 which opens opportunities for women to be involved in decision-making, although male dominance in policy is still a challenge (Mikcalef et al., 2019; Anggraeni, 2020; Dwivedi et al., 2022). However, despite significant progress, there are still obstacles to overcome.

The main obstacles to women's empowerment in Indonesia still include social and cultural norms that limit women's roles, especially in decision-making in technical and public sectors. Although women are increasingly involved in economic activities, they are often constrained by traditional roles that deem men more appropriate to lead in certain contexts (Lewellyn & Muller, 2020). In addition, women's unequal access to entrepreneurship education and training, especially in rural areas, hinders their ability to compete in larger markets and grow their businesses (Keong, 2029; Rahmayati, 2021). Limitations in access to capital and technology and the lack of policies that specifically support women's empowerment also remain major obstacles in achieving overall gender equality (Emon & Nipa, 2024).

The relevance of women's empowerment today lies in the increasing global recognition of the need to empower women economically and socially, particularly in the context of entrepreneurship. Women's economic empowerment has been shown to be a critical factor in achieving gender equality, improving household incomes, and fostering sustainable development. Despite the growing number of initiatives aimed at empowering women, they continue to face significant challenges such as limited access to resources, financial barriers, and socio-cultural constraints (Adiza et al., 2020). By focusing on various case studies from regions such as South Africa, Indonesia, and India, this research seeks to provide a deeper understanding of the factors that influence women's participation in entrepreneurship and the success of empowerment programs. The findings from these diverse contexts will offer valuable insights into how different strategies can be implemented to effectively support women's economic empowerment (Doepke & Tertilt, 2019). The purpose of this study is to analyze the impact of empowerment programs on women's entrepreneurship and socio-economic development across various regions. Specifically, it aims to assess the effectiveness of self-help groups, financial inclusion initiatives, and government policies in enhancing women's economic independence.

Through a qualitative approach that combines literature review and descriptive data analysis, this study will identify the key drivers of women's success in entrepreneurship, while also addressing the challenges they face. Ultimately, the study seeks to contribute to the ongoing discourse on women's empowerment, offering actionable recommendations for policy makers and practitioners working to support women in business and economic development (Kamberidou, 2020).

2. Methods

The aim of this study is to examine the impact of various empowerment programs on women's economic and social development, particularly in entrepreneurship, and to explore the challenges and factors contributing to their success. The study focuses on the findings from several cases in different countries, including South Africa, Indonesia, and India, to provide a broader understanding of the role of economic empowerment in women's entrepreneurship and the barriers they face (Vainauskienė & Vaitkienė, 2021). This research employs a qualitative approach, utilizing a literature review and descriptive data analysis to synthesize the findings from multiple studies. The literature review focuses on identifying key themes and trends related to women's economic empowerment, the role of self-help groups, financial inclusion, and the challenges faced by women entrepreneurs in various regions (Ghouse et al., 2019). Descriptive data analysis is used to summarize and interpret the results of previous studies, focusing on the impact of empowerment initiatives on women's business success, household income, and overall socio-economic well-being. The analysis identifies common barriers such as limited access to resources, socio-cultural norms, and financial challenges, while also highlighting strategies that have been effective in empowering women (Anderson et al., 2021). This methodological approach provides a comprehensive overview of the current landscape of women's empowerment in entrepreneurship, offering valuable insights for future interventions and policies.

3. Results

Hendrarti et al. (2024), Highlights the significant role of women's empowerment in promoting village tourism development in Malang, Indonesia. The PKK team plays a central role in this effort by advocating for women's interests through community-driven initiatives, participation in small and medium enterprises (SMEs), and skill enhancement programs. Their involvement in village development and budgeting reflects a broader commitment to fostering inclusive growth and enabling women to actively contribute to local development (Hanuun et al., (2023). examine the empowerment of fisherwomen in Pacitan, Indonesia, to address poverty in coastal areas. Their findings reveal that empowerment is influenced by internal, external, and institutional factors, each with distinct sub-factors. The study underscores the pivotal role of the government, as trust in its initiatives emerges as a

key enabler of empowerment (Vainauskienė & Vaitkienė, 2021). These insights offer valuable guidelines for reducing poverty and enhancing the socioeconomic conditions of fisherwomen in coastal zones. Alim et al., (2024), focus on the implementation of Micro-Hydro Power (MHP) as a sustainable energy source in rural areas of Indonesia. Their research demonstrates that MHP not only provides green electricity to households but also significantly contributes to women's empowerment and gender equity. By improving living conditions and advancing rural development, this initiative exemplifies the potential of sustainable energy solutions to support women's roles in community development.

Moreover, Explore the role of the Micro Waqf Bank in empowering women micro-entrepreneurs through Islamic social finance. Their mixed-method research reveals that joint responsibility, financing, and mentoring positively influence the growth of micro-enterprise members, with mentoring emerging as the most critical factor. The qualitative analysis emphasizes the Micro Waqf Bank's contribution to strengthening women's capacity through enhanced mentoring, showcasing its vital role in supporting women's economic independence and micro-business development (Mulyani & Mulyadi, 2019). Examine the concept of State Ibuism and its impact on women's empowerment in Indonesia, focusing on Chinese Benteng women. The study critiques the patriarchal framing of empowerment, which encourages women to embody traditional gender roles aligned with Indonesia's cultural expectations. It argues that this patronizing perspective shapes societal norms and reinforces political subjectification, thus revealing the limitations of empowerment initiatives within a patriarchal state framework (Martín et al., 2019). Investigates the intersection of Islamic microfinance and women's empowerment in the context of Baitul Maal Wat Tamwil (BMT) in Indonesia. The study highlights that BMTs primarily focus on women not as an acknowledgment of gender inequality but as part of a pragmatic business strategy to achieve financial self-sustainability. This approach demonstrates the complexities of empowerment initiatives, where economic imperatives often overshadow broader gender equity goals (Akarçesme et al., 2024).

Delve into women's engagement in economic opportunities within the Water, Sanitation, and Hygiene (WASH) sector in Indonesia. Their findings advocate for nuanced empowerment strategies that address women's multifaceted roles and challenges. The study emphasizes the importance of tailoring WASH programs and policies to foster gender equality, ensuring that women have the necessary support and opportunities to leverage their potential within this critical sector (Ngoasong & Kimbu, 2019). Analyze women's empowerment in the transformation of village governance in Indonesia, highlighting persistent gender disparities. Despite some progress, village governance remains predominantly male-dominated, with gender issues often relegated to secondary importance (Lombardo & Meier, 2019). The authors call for stronger national regulations to prioritize gender equality within Village Law enforcement and promote empowerment programs that directly address

these disparities. Explore women STEM faculty's participation in Entrepreneurship Education Programs (EEPs). The study critiques the current focus on venture creation, arguing that it overlooks the diverse motivations behind women's engagement in entrepreneurship education. The findings suggest the need for more inclusive program designs that reflect women STEM faculty's varied interests and objectives, thereby enhancing their contributions to entrepreneurial ecosystems (Cunha et al., 2020).

Menon and Shekhar (2024) develop a conceptual framework to understand women STEM faculty's participation in entrepreneurship education programs. Their findings reveal a complex interplay of internal and external factors influencing participation. Internal factors include individual views on entrepreneurship, STEM identity, entrepreneurial self-efficacy, and personal identity, while external factors involve the support of mentors, role models, socioemotional encouragement, and access to financial resources. This comprehensive framework highlights the multifaceted barriers and opportunities women face in engaging with entrepreneurship within STEM fields. Present a systematic review of women's entrepreneurship education, examining trends in research over the past three decades. Their analysis highlights significant growth in the field, marked by increased publications and citations. The study uncovers the evolution of research themes and collaboration networks, underscoring the growing emphasis on addressing gender disparities in entrepreneurship education and the need for more targeted initiatives to foster women's entrepreneurial potential (Audretsch et al., 2019). Investigate the economic empowerment of unbanked women in Indonesia through financial inclusion initiatives. Their research demonstrates that financial literacy programs, which incorporate training in financial management, savings, and access to financing, have a positive impact on women's economic empowerment. The participatory "baropok" approach, where women gather in a circle with a community officer, enhances engagement and support. The findings indicate that this model significantly boosts the income and savings of women involved in home industry businesses, particularly in West Sumatra, showcasing the effectiveness of financial inclusion in elevating women's financial independence.

Examine the challenges faced by female entrepreneurs in South Africa and highlight the need for comprehensive support to foster women's economic empowerment. Their findings reveal that limited access to resources, education, and social protection, alongside socio-cultural barriers and a large informal sector, hinder women's entrepreneurial success. The authors emphasize the importance of labor market interventions, support for the informal sector, gender-sensitive legal frameworks, and improved access to education and resources in promoting women's empowerment and addressing these challenges. Investigate the outcomes of a trial aimed at women's economic empowerment in Indonesia, using mediation analysis to explore the pathways to increased business profits and household income (Carpena & Zia, 2020). Their study finds that women's agency, business practices,

and access to capital have a direct positive effect on business profits, while personal savings and business profits indirectly contribute to increased household income. The results suggest that both the direct and indirect effects of business growth play a crucial role in enhancing the overall economic well-being of women and their households.

Focuses on the role of Self-Help Groups (SHGs) in empowering women in Nithari Village, Noida, India. The study highlights how participation in SHGs helps raise awareness among women, providing them with opportunities to challenge poverty and gain autonomy. Members report improvements in their self-confidence, decision-making abilities, and influence within their households. By offering a platform for women to express their views on community matters, the SHG model supports social and economic empowerment, ultimately fostering greater independence and equality within families and communities (Gross & Baron, 2022). Explore the socio-economic empowerment of women through micro-entrepreneurship in Odisha, India. Their findings show that financial challenges are the most significant barrier to start-up businesses and operational sustainability. Other hurdles, such as work-life imbalance, family responsibilities, and marketing difficulties, further constrain women's entrepreneurial success. Despite these obstacles, the study underscores the importance of micro-entrepreneurship as a vehicle for women's empowerment, pointing to the need for supportive structures to overcome these challenges.

4. Discussion

The solutions that can be implemented to overcome these barriers are to increase access to entrepreneurship education and training by providing more entrepreneurship training programs and skills-based education specifically designed for women, especially in rural areas. These programs should include training relevant to the current market, such as digital technology, financial management, and other technical skills that enable women to compete in a larger market. Then, the government needs to implement social and cultural norm reforms by promoting gender equality through awareness campaigns to change social norms that limit women's roles, particularly in decision-making in the technical and leadership sectors. These programs need to involve community leaders and local leaders to support women's active participation in various fields. In addition, programs are needed to improve access to finance by expanding women's access to financial services, especially through microfinance programs and financial institutions that provide women with easy access to credit for their businesses (Lamichhane, 2020). Furthermore, mentoring and guidance can help improve women's ability to manage their businesses and mitigate risks, especially in sectors affected by external factors such as disasters or economic crises. The government also needs to implement policies that support gender mainstreaming by improving the implementation of gender mainstreaming in public policies ,as stipulated in the Village Law and other

government programs, so that women's empowerment becomes an integral part of development planning and budgeting at the village and national levels.

Entrepreneurship education plays a crucial role in helping women develop market-relevant skills, especially in developing countries such as Indonesia, through training programs that emphasize practical aspects of business, financial management, and enterprise management. Entrepreneurship education provides women with the necessary skills to manage a business, understand capital management, and respond to market changes, empowering women through financial inclusiveness showed that training in financial literacy and business management directly increased the income and savings of women running home-based businesses. This happens thanks to programs that provide access to financing and mentoring through a participatory approach. In addition, entrepreneurship education also contributes to building confidence and women's agency, which is important to face the challenges of a competitive market (Mikalef et al., 2019). According to a study conducted in Indonesia, women who attended a business training program and were incentivized to open a formal savings account experienced a significant increase in business practices and business profits after two years of training. However, to achieve optimal results, entrepreneurship education programs must continue to be tailored to the challenges and barriers women face, such as access to capital and social norms that limit women's participation in the market. Therefore, entrepreneurship education designed for women should address gender-specific needs and provide support in social networking and financial empowerment.

Entrepreneurship education has a significant role in enhancing the engagement of women in sustainable economic sectors in Indonesia. Through entrepreneurship education programs, women are provided with the practical skills needed to start and manage businesses that support economic, such as sustainable agriculture, renewable energy, and creative industries. The program helps overcome barriers, such as limited access to resources and networks, and facilitates the development of women's financial capability, which is essential to support small businesses and economic inclusion. In addition to providing technical skills, entrepreneurship education also contributes to women's social and economic empowerment, encouraging women to be active in the green economy and sustainability-based MSMEs. The program also teaches how to run environmentally friendly businesses that meet market demands. In Indonesia, entrepreneurship education is linked to financial inclusion policies that provide access to financial services, improve the welfare of women and families, and encourage women's involvement in green economic activities.

5. Conclusion

The findings showed that women's empowerment in entrepreneurship is a critical factor for achieving socio-economic development, both at the individual and societal levels. The reviewed studies highlight the diverse challenges women face in accessing resources, education, and financial support, which often limit their

entrepreneurial potential. However, evidence also suggests that targeted empowerment programs, such as those focusing on financial inclusion, mentoring, and access to markets, can significantly enhance women's participation in entrepreneurship. The role of government policies in promoting gender equality, fostering a supportive legal framework, and ensuring access to resources is indispensable in creating an enabling environment for women entrepreneurs. Moreover, the integration of local cultural values and gender-sensitive approaches in empowerment initiatives is crucial to addressing the unique challenges faced by women in different regions. This underscores the importance of adopting context-specific strategies that align with the cultural, social, and economic realities of each community. Ultimately, empowering women through entrepreneurship not only improves their personal and economic well-being but also contributes to broader economic growth and social transformation. Therefore, continued efforts to promote gender equality and support women in entrepreneurship are vital for fostering sustainable development worldwide.

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