

The  
Gender  
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Initiative



THE UNIVERSITY OF  
MELBOURNE

# Empowering Women Entrepreneurship in Indonesia

Breaking Barriers in Micro,  
Small, and Medium Enterprises

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## Acknowledgement of Country

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## Abbreviations

MSMEs Micro, Small, and Medium Enterprises

MoWECP Ministry of Women Empowerment and Child Protection

IFC International Finance Corporation

MCSME Ministry of Cooperative and SMEs

## Executive Summary

Women in developing countries tend to be employed in specific informal sectors, such as home-based work or street vending (Chen, 2001). In Indonesia, women with infants are more likely to join the informal workforce (Gallaway & Bernasek, 2016). While they may re-enter the labor market as their children grow older, they often choose self-employment or family work rather than wage employment (Schaner & Das, 2016). Moreover, Indonesia has vast MSMEs that absorb 61 percent of the employment, with women's informal employment of 64.5 percent.

Despite this potential, Indonesia has not yet fully harnessed women's entrepreneurship. Women entrepreneurs face significant challenges, including restricted access to finance, education and training opportunities, digitalization, and gender bias and norms. Therefore, this report aims to recommend policies and programs to help women-led entrepreneurs expand their businesses and contribute to Indonesia's economic and social system.

## Key Findings

1. Indonesia stands out as one of the countries with the highest rate of female entrepreneurship and entrepreneurial country for women in the Asia Pacific Region (Global Entrepreneur Monitor, 2023; World Bank, 2020). With a significant number of 64.2 million Micro, Small, and Medium Enterprise (MSMEs), Indonesia's MSMEs contribute to the country's GDP, accounting for 61 percent and employ a majority of the workforce, with women constituting 64.5 percent of this labor force (Coordinating Ministry for Economic Affairs, 2022; WEF, 2022b).
2. Women-owned businesses often operate from home, generate low revenue and profit, and face intense competition (Ramani et al., 2013). In Indonesia, women-owned micro and small enterprises typically earn less revenue, profit, and capital than those owned or run by men (Alibhai et al., 2023). Women-led entrepreneurs often employ less labor, which limits their productivity and growth. The gender gap is often rooted in the unequal division of domestic responsibilities.
3. There are two distinct women's motivations for joining entrepreneurship: those driven by economic necessity, driven by family financial situations or poverty, which is considered as a 'pull' factor, and those driven by business opportunities or so-called 'push' factor (T. T. H. Tambunan, 2017). Furthermore, the World Bank (2016) also division women's entrepreneur motivation into

“necessity” entrepreneurs and ‘growth-oriented’ entrepreneurs; each segment has different needs in expanding their business; thus, to be effective in supporting women-led entrepreneurs, the government programs and interventions should be based on sufficient knowledge of the characteristics and constrain of women-led business.

4. The barriers to women-led entrepreneurs in Indonesia are limited access to financing, constrained opportunities for education and training, lack of digital literacy, and gender bias and norms. Government programs and policies intended to improve women's entrepreneurship have been ineffective due to their lack of specificity; the approaches to diagnosing the policy problem and intervening tend to be uniform (World Bank, 2016).

## Recommendations

1. The government, through the Ministry of State-Owned Enterprises or state-owned banks, should focus on the programs to meet the needs of the growth-oriented segment, such as addressing the lack of access to credit from women-led businesses due to a lack of collateral. For necessity entrepreneurs, the government and public bank could develop financial products like saving-linked credit, incorporating a simple goal-setting feature to encourage more saving.
2. The government, through the Ministry of Women Empowerment and Child Protection, should design programs for necessity entrepreneurs that cover stock management strategy, online marketing, strategic planning, and business development (Salyanty & Askar, 2022). In addition, the agency can explore mentorship or coaching programs with a small-scale delivery. The agency should mitigate the limited resources and expertise in delivering the program by collaborating and partnering with local governments, local business communities, and non-government organizations.
3. Care economy can advance women's economic empowerment. Currently the government does not have available data estimation regarding supply and demand for care economy, which is beneficial to base policy formulation and decision-making in program and support. The government, through the National Statistic Agency, should compile data related to supply and demand for care service.

# 1. Introduction

Women's participation in the labour force in Asia remains low despite rising education levels and economic growth amongst women (ADB, 2016; United Nations Development Programme, 2023). In developing countries, women's employment tends to be concentrated in certain categories in the informal sector, such as home-based workers or street vendors (Chen, 2001, p.75). Similarly, in Indonesia, women's participation in employment has remained stagnant, hovering around 50 percent over the past 20 years (against men's labour force participation rates of 85 percent) (Central Bureau of Statistics, 2024). According to the World Bank, closing the gap in labour force participation will contribute to US\$125-135 billion in Indonesia's annual Gross Domestic Product (GDP) by 2025.

As an emerging nation, Indonesia has a significant number of Micro, Small, Medium Enterprises (MSMEs) (64.2 million) contributing to 61 percent of Indonesia's GDP and absorbing 97 percent of the country's total workforce - 64.5 percent of which are women (Coordinating Ministry for Economic Affairs, 2022; WEF, 2022b). The majority of MSMEs in Indonesia operate in the informal sector, which is in line with ILO data, which shows that 80 percent of MSMEs stay in informal economies (ILO, 2024). The informal sector refers to economic arrangements that are not subject to government regulations and the nature of employment includes self-employment and wage employment (Gallaway & Bernasek, 2016).

As a significant sector of the Indonesian economy, this paper addresses the following questions: 1) What are the experiences of women-led MSMEs in Indonesia? 2) What are the barriers to women expanding their businesses? 3) What are the present policies to address those barriers and their shortcomings? 4) What are possible remedies to improve the state of women-led MSMEs?

This paper begins with a contextual background of Indonesia, followed with a review of existing literatures on informality, MSMEs entrepreneurship, and the role of gender. Next, it discusses the barriers women-led entrepreneurs face when expanding their businesses. Lastly, it outlines policy actions taken by the Government of Indonesia. It presents potential solutions and recommendations to the Government, particularly to the Ministry of Women Empowerment and Child Protection (MoWECP) as the leading policy actor for achieving gender equality in Indonesia.

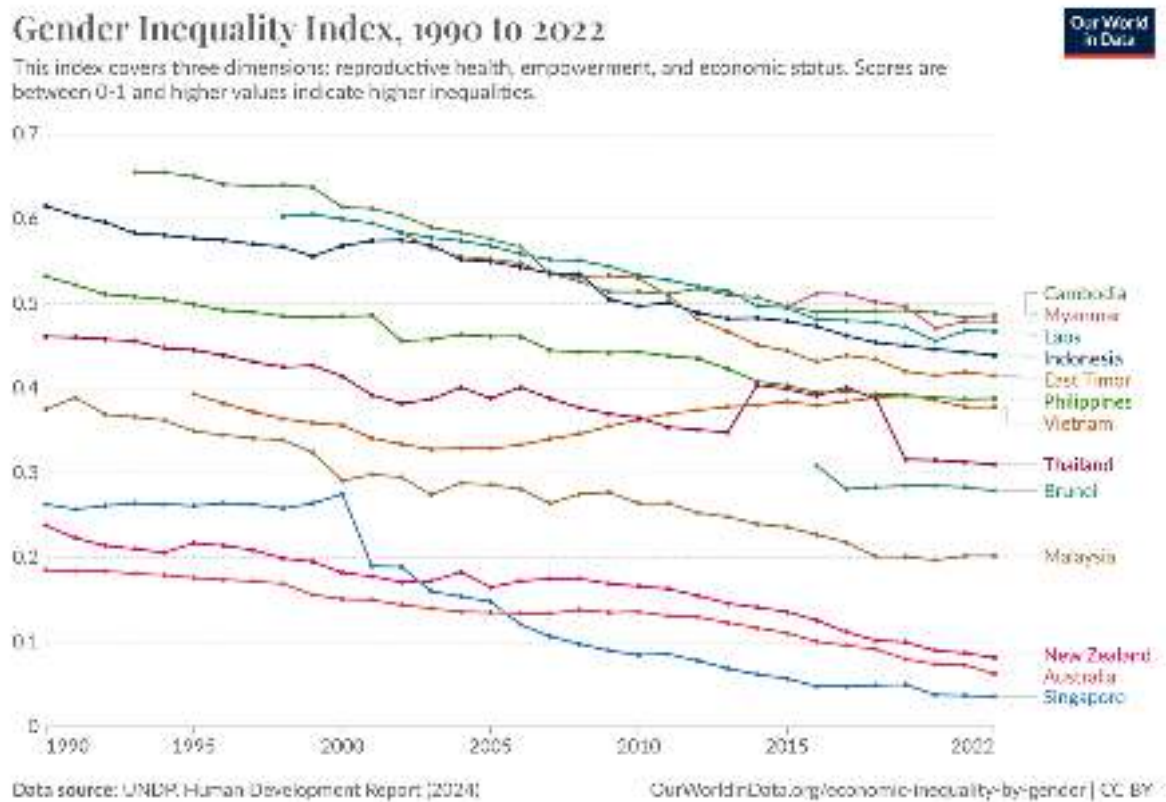
## 2. Context and Background

Indonesia is the world's largest archipelagic state, with over 17,000 islands. With a population of 283 million and 49.65 percent of the population being women, Indonesia is the fourth most populous country. The country is also the most populous Muslim-majority country and has diversity in language, culture, and customs. Indonesia is the world's 16<sup>th</sup>-largest economy by nominal GDP, which makes Indonesia part of the G20. With 64.2 million MSMEs, Indonesia has a thriving entrepreneurial ecosystem. These businesses contribute 61 percent to the GDP and employ 97 percent of the workforce, with women making up a significant portion at 64.5 percent (Coordinating Ministry for Economic Affairs, 2022; WEF, 2022b).

Furthermore, Indonesia has one of the strongest women entrepreneurship bases with high growth aspirations worldwide and is the most entrepreneurial country for women in the Asia Pacific Region (Global Entrepreneur Monitor, 2023; World Bank, 2020). In 2013, women-owned Small and Medium Enterprises (SMEs) contributed 9.1 percent of Indonesia's GDP (IFC, 2016a). However, Indonesia has not yet maximized this strength. There are significant barriers to women entrepreneurs regarding access to finance and social and cultural norms.

In 2024, the country globally ranked 100<sup>th</sup> in the Global Gender Gap Report published by the World Economic Forum and ranked 11<sup>th</sup> regionally, below the Philippines (3<sup>rd</sup>), Vietnam (5<sup>th</sup>), and Lao PDR (9<sup>th</sup>). Although Indonesia records improvements in gender gap score, there is a reduction in labour force participation, in which the share of women who left the workforce in Indonesia was 2.3 percent (WEF, 2022a). Moreover, the Gender Inequality Index from the UNDP, which covers three dimensions:

reproductive health, empowerment, and economic status (0=equal; 1=inequal), Indonesia's score was 0.439, one of the most unequal within the Southeast Asia region (Figure 1).



*Figure 1 Gender Inequality Index*

Source: UNDP, Human Development Report (2024) – with minor processing by Our World in Data (UNDP, 2024).

### 3. Literature Review

#### 3.1 Women-run MSME in the shadow economy

An informal economy is a distinct feature of developing and emerging economies. Informal sectors are usually run by less educated entrepreneurs with lower rates of productivity. It is expected that the sector will shrink and become less important as the formal economy becomes dominant (La Porta & Shleifer, 2014). Essentially, the informal sector's low productivity is reflected in its number of employees and the education quality of its managers, thus mirrored in their lack of growth. The World Bank Enterprise Surveys reveal that the average informal firm has been in existence for almost a decade, with a little

significant growth, even during the periods of rapid formal sector growth (La Porta & Shleifer, 2014). This hinders the informal economy from accessing capital from banking sectors as banks prioritise lending money to skilled entrepreneurs.

Women are overrepresented in the informal sector (Chen, 2001). It has been argued that they cannot compete in labour, capital, and product markets because of the low level of education, skills, assets, and social norms that make women responsible for social reproduction. A study of literature on women's experience in the informal economy in emerging nations, including India, Palestine, Uganda, Vietnam, and Zambia, suggests that the informal sector fits with women's needs and existing patriarchal social norms, although the underlying reason to start in the informal economy is more likely to be out of necessity than entrepreneur aspirations (Ramani et al., 2013). Moreover, women can be over-represented as entrepreneurs because the formal sector is deemed over-regulated, corrupt, costly, has administrative burden, and high-tax rates, and a lack of flexibility (Ramani et al., 2013).

In Indonesia, the presence of infants in the household increases women's participation in the informal sector (Gallaway & Bernasek, 2016). Although women are more likely to re-enter the labour force as their children get older, they perform family work or self-employment, and there is no re-entry into wage employment (Schaner & Das, 2016). Regarding women's motivation in the MSMEs, there are two distinct motivations. The first motivation is related to family economic conditions or poverty, which is considered a 'pull' factor driven entrepreneurship, while the second can be linked to market or business opportunities as 'push' factors (T. T. H. Tambunan, 2017).

### 3.2 Going Formal

According to the International Finance Corporation (IFC), there is a strong correlation between formalisation and business turnover. Formalisation allows a business to grow its turnover beyond Rp 1 billion (equal to AU\$ 97.000) (IFC, 2016a). Failure to formalise contributes to exclusion from economic participation in the value chain as producers, suppliers, and providers prevent businesses from accessing formal bank loans. However, women-run informal MSMEs do not see the advantage of registering their business because of the opportunity costs, such as burdensome regulations and high marginal tax. At the same time, there is a weakness in regulatory enforcement and compliance (Klapper & Parker, 2011). In women-run MSMEs, lower turnover explains the high percentage in informal ventures; thus, their ventures remain small and lack growth. Additionally, household responsibilities constrain

women from dealing with paperwork and administrative matters (IFC, 2016b). Thus, business formalisation typically takes place after one or two years of operation or when it reaches Rp 1 billion turnover (IFC, 2016b).

Women, especially in the informal sector, have been disproportionately affected by the global pandemic because benefits and protection are lacking in the sector. Women-led businesses struggle to access financial services and assets, information and communication technology, and business networks. Women entrepreneurs have limited access to information about relevant support for businesses, such as low interest, deferred payments, and tax exemptions or how to register for relief programs provided by the government (UN Women First 100 Days, 2020).

### 3.3 Women-owned entrepreneur in MSMEs in Indonesia

According to Government Regulation Number 7 of 2021 provided by the Ministry of Cooperative and SMEs (MCSME), micro-enterprises have annual sales of up to Rp 2 billion and capital of up to Rp 1 billion (Table 1). Additionally, the National Statistical Agency, which regularly conducts surveys on SMEs, states that micro businesses typically have a maximum of four workers (T. T. H. Tambunan, 2017).

*Table 1 Typology of Micro, Small, and Medium Enterprises*

Type of business	Capital	Sales	Number of employees
Micro enterprises	Up to Rp 1 billion / AU\$96,000	Up to Rp 2 billion/ AU\$193,000	1-4
Small enterprises	Rp 1 billion – 5 billion / AU\$ 96,000 – 480,000	Rp 2 billion – 15 billion/ AU\$193,000 – 1,440,000	5-19
Medium enterprises	Rp 5 billion – 10 billion / AU\$480,000 – 965,000	Rp 15 billion – 50 billion/ AU\$1,440,000 – 4,820,000	20-99

Note: the size of capital, excluding land and building

Despite strong regional women entrepreneurial aspirations and significant increases in initiatives and policies, there persist gender gaps in revenue and profit. Women businesses usually operate from their homes, have low sales and profit, and compete in overcrowded segments (Ramani et al., 2013). In

Indonesia, micro and small businesses run by women earn lower revenue, profits, capital, and ownership than those owned or run by men (Alibhai et al., 2023). Particularly, women-led business often employs fewer people and women depend on unpaid labour compared to male-led business, which can hinder their productivity and growth. These outcomes spring from the unequal burden of domestic work responsibilities that influence women's choices. For instance, women-run businesses are more likely to have shorter hours of operations on average than men-owned, and operate their business from home, enabling them to be flexible and balance work with childcare responsibilities (Alibhai et al., 2023).

Alibhai et al., (2023) found a gender gap in capital where women's micro and small businesses have less than half capital compared to their male counterparts. Lack of capital counts as a barrier to starting, managing, and expanding businesses for both genders, which limits the opportunity to attain productivity, enhance technology, and meet consumer demand. However, this might not be the case. Pulse Lab (2022) suggests women impact entrepreneurs (those whose businesses not only focused on expanding their businesses but also those who are interested in enhancing social and environmental impact) have strategic planning to businesses growth, whereby they take calculated risks with steady growth for a solid foundation of their business. This approach contributes to business sustainability and their credibility as entrepreneurs. However, the inclination toward calculated risks has deterred investors. Investor perceived aggressive risk-taking strategy are more likely to yield greater returns (Pulse Lab, 2022).

### 3.4 What are the barriers to women-led entrepreneurs in Indonesia?

Women entrepreneurs encounter various obstacles in growing their businesses, such as restricted access to financing, limited opportunities for education and training, market constraints, and lack of mentorship (Pulse Lab, 2022). These barriers are further exacerbated by social norms and regulations that stifle business development, such as accessing capital, hiring workers, and networking opportunities (Alibhai et al., 2023; Global Entrepreneur Monitor, 2023). The following section outlines constraints faced by women-led entrepreneurs in four categories: education and training opportunities, formal financial institutions, information and technology, and gender bias.

#### 3.4.1 *Education and training opportunities*

The lack of education and training constrains women's ability to take risks and grow. Consequently, limited relevant skills and competencies can lead women to concentrate on micro or small businesses with small profits. In rural and underdeveloped areas in Indonesia, limited educational opportunities

and traditional societal norms that prioritize male education contribute to the marginalization of women in both economic and social spheres (T. T. H. Tambunan, 2009). This resulted in the gender gap in education in rural areas, where the literacy rate for women (aged 15+) is 92.78 percent, compared to 96.30 percent for men (National Statistics Agency, 2023). Thus, it is unsurprising that women tend to undertake business with low skill and expertise, such as food, beverages, textiles and garments, and leather products (T. T. H. Tambunan, 2009). A study of female entrepreneur growth rate performance in Java showed that male-run ventures were dominated by the production or manufacturing sectors (32 percent) compared to female-run enterprises concentrated in food processing and trade sub-sectors (6 percent and 4 percent) (Singh et al., 2001). Furthermore, one survey found that women entrepreneurs hardly attend training programs initiated by the government due to the lack of information about existing programs (T. T. H. Tambunan, 2017). Therefore, policy and program implementation need to be reviewed, with a focus on the dissemination process.

Training opportunities for women entrepreneurs, such as leadership skills training, could help them meet complex challenges in business expansion. An impact study of women entrepreneurs in Indonesia suggests that women entrepreneurs often question their leadership capabilities. Despite having passed the start-up stage, women entrepreneurs express fear of failure and have self-doubt about whether they are the best leaders. This fear diminishes if there are improvements in their leadership capabilities (Pulse Lab, 2022). Furthermore, training involved in business strategies, effective marketing, and strategic thinking to deliver more value to customers is necessary for ultra-micro entrepreneurs (Salyanty & Askar, 2022).

### **3.4.2 Access to finance**

When women are asked about their biggest constraint in running a business, the lack of access to finance is most commonly mentioned. In South Asia, for instance, women received less than 10 percent of commercial credits, whether the amount suits their needs or not (Sinha, 2005). In Indonesia, the Government as well as the Central Bank (Bank Indonesia) offer several products and services by increasing awareness, strengthening networks, and removing barriers to access finance, but such programs mostly target the microenterprise's needs rather than SMEs. There are also no programs specifically targeting women-owned SMEs (IFC, 2016b). On the demand side, the lack of access to loans from formal financial institutions is due to the lack of business feasibilities, financial records, and assets for collateral (T. Tambunan, 2019).

According to Tambunan (2017), there is no evidence that banks in Indonesia discriminate against women in lending funds. Although, in the past, married women who sought bank loans required their husband's signatures, this practice no longer exists, although it may occasionally happen in rural villages. However, there are some obstacles when married women need a bank loan while their partner has a credit outstanding. Alibhai et al., (2023) found this in an interview with a woman entrepreneur who has experienced taking a bank loan to expand her own business in West Nusa Tenggara. The commercial banks rejected her request because her husband had a remaining loan payment with the bank. This is the bank's internal policy in which the husband's financial history is to be reviewed, yet this rule does not apply when a man or a husband requests a loan.

Access to bank credit may depend on how many women have bank accounts, as it exhibits that they have been exposed to banking products. According to the performance report of the Ministry of Women Empowerment and Child Protection, women who had savings accounts in formal financial institutions in 2020 was 36.35 percent (compared to men 39.14 percent), with the lowest bank account ownership in Papua, South Sumatera, and North Maluku (MoWECP, 2023). However, according to the 2024 Literacy and Financial Inclusion Survey in Indonesia, women's financial inclusion accounts for 76.08 percent compared to men's 73.97 percent (Financial Services Authority, 2024). Similarly, women entrepreneurs demonstrated a high level of financial know-how and financial literacy, which are unrelated to their education level (World Bank, 2016). This indicates that, although women have relatively high finance literacy, they are not exposed to banking products such as savings or credits, which this exposure information may help them to start a business.

### *3.4.3 Digitalisation*

Digitalisation has been crucial in transforming MSMEs by providing access to resources, markets, and networks. Particularly during the pandemic, consumer shopping habits have shifted from physical stores to online platforms, presenting new challenges and opportunities for MSMEs. However, most women entrepreneurs in ASEAN nations own and manage micro, small, and medium-sized enterprises (MSMEs) with limited or no use of advanced digital tools. This suggests that women entrepreneurs in ASEAN countries may struggle to compete and succeed in the digital economy (Marsan, 2021). In Indonesia, only 27 percent or 17.5 million of the 64.2 billion total MSME players, were engaging in the digital ecosystem and gaining benefits from digitalisation (Coordinating Ministry for Economic Affairs, 2022). A study by Busnetty & Tambunan, (2020, p.57) suggests that e-commerce adoption in Indonesia is very low because of the lack of understanding about the importance of ICT or e-commerce (and prefer traditional banking) and the lack of capacity and innovation. The authors argue that conditions where

the market size is large and competitive, such market generate aggressive and innovative entrepreneurs in marketizing their products, using the internet, and adopting e-commerce. Furthermore, differences in digital literacy and skills, socioeconomic status, and geographic location can lead to unequal access to digital platforms for women, also known as the gender digital divide (Jeffrie, 2024; Salamzadeh et al., 2024).

#### 3.4.4 *Gender bias and norms*

Although women are more educated than prior generations, this has not translated into economic outcomes. The persistent gender gap in income is highly correlated with social norms and gender stereotypes (United Nations Development Programme, 2023). Gender bias hinders women's agency in economic empowerment. Women are often perceived as having fewer entrepreneurial skills than men due to traditional feminine traits, such as empathy, a service-oriented mindset, and a focus on people, which are seen as obstacles to business success compared to a task-oriented management style (T. T. H. Tambunan, 2009). Moreover, self-employed women with young children tend to work close to their homes and open their businesses for fewer hours than self-employed men (World Bank, 2024).

Investor gender bias also exists. Indonesian investors typically prefer an aggressive growth model, which aligns with the approach often taken by men entrepreneurs. However, this aggressive approach has been found to be less sustainable. In contrast, women frequently approach business expansion and risk with a focus on gradual growth and careful planning. They tend to thoroughly test their business model before seeking investment or entering new markets (Pulse Lab, 2022). Another example of gender bias faced by women in Indonesia is the expectation that they leave investment events if they attend with babies or toddlers. Additionally, some are cautioned against becoming pregnant to improve their chances of securing investment opportunities. (Pulse Lab, 2022).

Gender norms are a primary driver of gender inequality and low labour participation (Cameron, 2023). Based on the online survey of Indonesia urban areas in 2022, respondents asked about the main reasons for not being supportive of women working, '*women's roles in caring for the child*' is the main reason for not supporting women (male respondents), whereas female respondents report '*finding someone to look after their children is hard*' is the main reason for not working (Cameron, 2023). As Indonesia has a diverse culture, regions with more conservative Islam norms exhibit lower female labour force participation, such as West Java (44 percent) and Aceh (47 percent). Interestingly, according to the same survey, defiance of religious practice is not often reported as a reason for not supporting women working. The World Values Survey question regarding whether '*men should have more rights to*

a job than women' showed that Indonesia exhibits the highest proportion of respondents that agree with the statement (75 percent), compared to Thailand (30 percent), Singapore (27.95 percent), and Australia (6.7 percent) (Cameron, 2023). In regard to how social norms affect women entrepreneurs decisions, responsibilities to manage daily living expenses may influence women's ultra-microbusiness decision-making about whether to choose for business investment or household needs (Salyanty & Askar, 2022).

## 4. Policy gaps

According to the World Bank, (2016), government programs and policies aimed at women entrepreneurs have had limited success due to their lack of specificity. There is a common tendency to diagnose policy problems and interventions in a uniform way; thus, rather than emphasis on MSMEs' size, effective service delivery requires segmentation with consideration of realistic projections of enterprises (World Bank, 2016). Effective policies and programs to support the development of MSMEs depend critically on adequate knowledge of the characteristics and constraints of MSMEs (Singh et al., 2001).

Tambunan (2019) suggests that women entrepreneurs are 'pushed' rather than 'pulled' to financially support family needs. Their motivation is not rooted in entrepreneurial spirit, but rather in circumstances, such as becoming the head of the household, having an unemployed spouse, or dealing with insufficient family income. The 'push' and 'pull' factors correlated with The World Bank findings regarding "necessity" entrepreneurs, who require other types of assistance and "growth-oriented" entrepreneurs, who are likely to expand their enterprises (World Bank, 2016). World Bank findings suggest that approximately 15% of "growth-oriented" women entrepreneurs have a strong desire and potential to expand their businesses, and this segment has unique and unfulfilled needs. In contrast, the needs of "necessity" entrepreneurs, which the majority of women entrepreneurs in Indonesia fall into, include savings promotion, capacity improvements in marketing, and support to formalisation. Therefore, different types of interventions for each segment of women-led businesses and their needs are necessary.

## 5. Policy Recommendations

Ministries, policymakers, and program managers can take action to support the expansion and growth of women-owned businesses and prepare them to be more resilient.

### 5.1 Diversity in financing options

Tailoring products in finance can resolve gaps and substantially increase outreach. Growth-oriented women entrepreneurs require substantial loans to expand their businesses and for specialised financial services, such as insurance and remittance services, recognising their long-term benefits. In contrast, necessity entrepreneurs are well served by microfinance (World Bank, 2016). Therefore, the government should focus on the programs to meet the needs of the growth-oriented segment. For instance, the lack of access to credit from women-led businesses is due to a lack of collateral. Consequently, women businesses need alternatives in terms of collateral mechanisms. On the regulation side, the government, through the Ministry of State-Owned Enterprises or state-owned banks, may formulate innovative collateral mechanisms for supporting women entrepreneurs. State-owned banks may focus on the small and medium women entrepreneurs because these segments are considered risky and have lower profits by private banks. Additionally, the banking sector may set out filtering or screening to project women entrepreneurs' likelihood of loan repayment that is beneficial for them in the long term in expanding credit to credit-worthy women entrepreneurs (World Bank, 2016).

In terms of improving saving rates for women entrepreneurs, among women businesses, necessity women-led entrepreneurs are in profound demand. Saving accounts are expected to improve saving behaviour and re-investing in their enterprises. One method to promote saving from the portion of their venture profit is to offer a private and confidential approach, a mobile savings account. Since mobile saving accounts already exist in Indonesia, financial institutions should market this approach to women entrepreneurs to increase the number of women. Additionally, the banking sector should try various methods for mobile saving and assess the impact of enhancing bank service toward women entrepreneurs. For instance, the ease of opening another bank account only from a smartphone is a necessary feature in mobile banking. This feature reduces the burden of women entrepreneurs who want a divided bank account for savings and expenses because they do not come to the bank in person.

Saving is an important factor for necessity women-led entrepreneurs to survive in periods of uncertainty. To mobilise more savings in this segment, the banking sector and government agencies may formulate banking products, such as saving-linked credit, and combine them with a simple goal-

based feature (Salyanty & Askar, 2022). Another option is for the government to collaborate with mobile wallet services and financial institutions or government agencies to digitally organize savings through mobile wallets (p.37).

## 5.2 Technical assistance and capability improvement

Beyond access to financial services, women-led entrepreneurs need assistance to build their business capacity and technical assistance. In terms of necessity-women entrepreneurs, design for inclusive and sustainable programs (offline and online) are necessary. This segment is more often faces challenges in limited resources, tight competition, and lack of digital competency. By this identification, the technical assistance and capacity development design should be related to stock management strategy, online marketing, strategic planning, and business development (Salyanty & Askar, 2022).

The problem is that the lack of capacity-building information contributes to low participation among women entrepreneurs. Many women entrepreneurs face challenges balancing their household responsibilities and their enterprises. So, to overcome this issue, capacity-building events and workshops should be held at flexible hours or online delivery to accommodate mothers and offer childcare services at the site events.

MoWECP's current mode of delivery is heavily through in-person training, boot camp programs, and physical course materials (MoWECP, 2023). The agency may explore another delivery strategy, such as the development of web-based platforms and digital course materials. Furthermore, inclusive capacity-building programs can take the form of generic training programs or tailored ones. The MoWECP may design and implement this program in an integrated way, covering the different levels of business, from the start-up and growth to the mature phases of entrepreneurship. In terms of mode of delivery, consideration should be made regarding how the events and workshops are structured if delivered in person, such as whether the venue is accessible for specific groups. In the event that MoWECP is unable to provide flexible time for training events or childcare services, the program can be conducted in a hybrid way.

Government programs should focus on individual consultation or mentorship for growth-oriented women entrepreneurs, which can pinpoint particular challenges, such as business expansion to the global market (World Bank, 2016). Women whose businesses are in the scale-up stage find the information provided in the entrepreneurship engagements in women-only communities limits their learning prospects because it emphasises the gender-related experience. These women need business

strategies in more diverse communities that offer more learning dimensions (Pulse Lab, 2022). Moreover, the superwomen narratives, which lean on success stories, are sometimes not the reality of women entrepreneurs while dismissing the trade-offs as a mother to young children and struggling with unpaid care work and running a business (Pulse Lab, 2022).

In terms of mentorship, the key to a successful mentorship program for women should begin with building a pool of appropriate mentors and coaches who understand the challenges faced by women entrepreneurs in Indonesia. The government, through MoWECP, should arrange suitable coaches and mentors and select women entrepreneurs to attend one-on-one in-depth mentoring sessions and business matching. While coaching can be designed in the short term to cover developing entrepreneurship ability or addressing certain business problems, mentorship involves a longer relationship that emphasizes the entrepreneur's personal development. This means that the program itself needed high resources. Therefore, MoWECP, in collaboration with one or two local governments, should commence a small scale program. Moreover, MoWECP should work with local business communities and non-governmental organizations to establish and develop partnerships to deliver mentorship and coaching programs.

### 5.3 Improving care work data

The care work sector is an enabler to advance women's economic empowerment. At first glance, a program to enhance the care economy foundation may not directly respond to women's growth business. However, strengthening the care economy impacts not only women entrepreneurs but also women across sectors. This issue can address gender norms and social issues as the core problem. In Indonesia, the current data is inadequate to estimate supply and demand for care services (Pulse Lab, 2022). This data would benefit the government as evidence for formulation and decision-making in programs and support. Therefore, the government should take the first step to collect and share the data on care economy supply and demand, which can be conducted through the National Statistics Agency. Other nations, such as Buenos Aires and Bogota also perform this approach. In Buenos Aires, for instance, the Statistics Bureau, in collaboration with the Care Indicator System, provided a supply of care from the government and other organizations (community or market) and the demand of people who need care services (Pulse Lab, 2022).

## 6. Conclusion

Indonesia has one of the strongest female entrepreneurs with high growth aspirations in the world. However, Indonesia has not yet maximised this strength. Entrepreneurs in Indonesia face barriers to expanding their businesses, such as limited access to finance, constraints in capacity building and training opportunities, lack of digital literacy, and gender bias in the sector. These conditions contribute to the gender gap in entrepreneurs. Women's micro and small businesses have less capital, profit, and assets than male businesses in the same segment. Government program and support tends to lack of specificity and intervene in a uniform way. It is essential for the government to have adequate knowledge of women-led entrepreneur characteristics and constraints. Women-led businesses are divided into micro, small, and medium enterprises. Among those segmented ventures, distinctive characteristics such as 'necessity' entrepreneurs (entrepreneur as an alternative) and 'growth-oriented' entrepreneurs (driven by entrepreneurial spirit) will assist government to design effective programs and support women depending on their business structure.

It is recommended for ministries and policymakers in Indonesia to support women-led entrepreneurs through diversity in financing options, technical assistance and capability improvement and commence data collection related to care economy.

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