

THE ROLE OF MSMEs AND WOMEN ENTREPRENEURS IN DEVELOPMENT ECOMONIC IN INDONESIA: LITERATURE REVIEW, ANALYSIS AND DEVELOPMENT STRATEGY

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Abstract

This study aims to understand the Role of MSMEs and Women Entrepreneurs in development Economic. A country's economic development is strongly influenced by the quality of its human resources (HR) and the business sector that develops within them, and one of the strongest enablers is entrepreneurship through micro, small and medium enterprises (MSMEs), especially through women entrepreneurs. Entrepreneurship through MSMEs is gender neutral, anyone can be an entrepreneur and MSMEs play a strategic role in Indonesia's economic development and growth. However, the reality is that MSMEs face several challenges such as gender inequality, lack of awareness about entrepreneurship, lack of capital, limited access to finance and an unfriendly business climate. This study aims to analyse the role of MSMEs and women entrepreneurs in improving the economy, such as reducing unemployment, and the challenges and solutions in addressing these challenges.

Keywords: MSMEs, Woman Entrepreneur, Development Economic, Human Resources

INTRODUCTION

The development of a country's economy is strongly influenced by the quality of its human resources (HR) and the business sector that develops within it. In Indonesia, the micro, small and medium enterprise (MSME) sector plays a strategic role in economic growth and employment. In the face of the economic crisis, MSMEs have proven to be more resilient than large enterprises, demonstrating the diversity of sectors that can make a significant contribution to the economy. Based on the Ministry of Cooperatives and SMEs Strategic Plan 2020-2024, it can be seen that Micro, Small and Medium Enterprises (MSMEs) have a very important role in driving the wheels of the Indonesian economy (Ritha F Dalimunthe, Siregar, et al., 2023)

In most parts of Indonesia system of occupational segregation based on based on gender. In general, Indonesian society Indonesian society sees men as the backbone of the family, and women as housewives who who take care of the household activities. This condition has indeed begun to change with the steady emancipation of women in the workplace. Women's emancipation in the workplace. Although Nevertheless, the number of women who are not economically is still relatively high. Therefore empowerment of women in addition to their role as housewives. as

housewives, women are also expected to entrepreneurial skills. If empowerment is effective, there will be many new entrepreneurs among the will emerge from the ranks of housewives and become economically active. become economically active. That is why this year's community service activities on empowering housewives at the village level. housewives at the village level (Ritha Fatimah Dalimunthe & Lubis, 2020)

Women are one of the components of society that can be involved in development development The potential of women to improve the welfare of the family and society is and society is very great. This needs to be taken seriously, considering that many women do not have the ability to obtain employment opportunities due to restrictions or cannot be involved in the community. Many women do not have the ability to obtain employment opportunities due to limitations or cannot cultivate the potential that exists within them. In order to develop the potential that exists within them, it is necessary to develop skills and training for women. Training for women. In order to increase the number of entrepreneurs in Indonesia, one of the steps is to provide community service to women entrepreneurs so that they can develop their competence and training. to women entrepreneurs so that housewives can run their own businesses and increase their income and create jobs. Increasing income and creating jobs (Ritha F Dalimunthe et al., 2022)

The unemployment rate in Indonesia in August 2022 reached 8.42 million people. This figure has increased compared to Indonesia's unemployment rate in February 2022 which was 8.40 million people. In addition, it is known that the Open Unemployment Rate (TPT) in Indonesia in August 2022 reached 5.86%, which increased by around 0.03% from the TPT data in February 2022 of 5.83%. This is due to the Human Development Index (HDI), economic growth, minimum wage, and inflation in Indonesia (Rojali et al., 2024). One of the efforts that can be made to reduce unemployment is to develop the quality of human resources. developing the quality of human resources can be done by developing entrepreneurship at a young age (Rojali et al., 2024)

The main problem of unemployment are the imbalance between the needs of the labour market (from the demand side) and the quality and quantity of labour in accordance with market needs or from the supply side of labour (Dervishi, 2017) This imbalance results in a lot of labour supply that does not match the current needs of the business world and industry (excess supply). One solution to solve the problem in this condition is to open new jobs that match the available labour supply (Ritha Fatimah Dalimunthe & Lubis, 2020)

According to (Rojali et al., 2024) One of the efforts that can be made to achieve economic progress in Indonesia is to promote entrepreneurship on a small, medium, and large scale. With an economy that is already advanced and supported by advances in the field of entrepreneurship, entrepreneurship can prosper the lives of the population in the country. Increasing entrepreneurship development programs is one of the important things to do to combat unemployment. In addition to creating new

jobs, an entrepreneur can expand job prospects that stimulate innovation, new technologies, and new sources of creativity. Entrepreneurship as an alternative to reducing unemployment, especially when combined with innovation (Rojali et al., 2024)

Community empowerment in a region itself must start from the smallest point, starting from the individual who builds the family economy and then the family economy will build the group economy until it will increase the national economy in aggregate. (Ritha Fatimah Dalimunthe & Lubis, 2020). The community will be guided to no longer focus on the position of job seekers, but as job openers. Opening jobs does not necessarily require the best quality of human resources. The quality requirements of human resources can be adapted to the business activities to be opened. In addition, entrepreneurship reflects a mental attitude that is always actively increasing the activities in business that arise from a person.

This research also focuses on women entrepreneurs with the aim of women's economic empowerment. However, constraints such as low human resource quality, limited income, low education, limited managerial skills, and limitations in entrepreneurship become obstacles. Therefore, further research is needed to understand the role of human resource transformation in supporting entrepreneurial activities, improving the family economy, and utilizing local economic potential (Dalimunthe and Siahaan, 2020)

The results (Ritha F Dalimunthe, Siregar, et al., 2023) of this study prove that in Medan and Deli Serdang women have a very important role in increasing family income. Therefore, women should have a business so that they can generate income and help the family economy and improve welfare. To become a female entrepreneur, it is necessary to transform human resources who previously only worked at home can now become business owners and together with their husbands and families have business activities that bring in income.

In this context, this article will review in depth the role of MSMEs in national economic development, women entrepreneurs in efforts to improve the economy of the people in Indonesia. With an in-depth understanding of the challenges and potentials in the development of MSMEs, it is expected that effective strategies can be identified in increasing the contribution of MSMEs to the national economy.

The literature review presented in this paper has several significant interests with an in-depth understanding of the context and challenges as well as exploring the potential and opportunities as well as support research and policy to identify the role of challenges and obstacles to be faced and provide a basis for efforts to achieve further research. With a better understanding of these issues, it is hoped that more effective strategies can be formulated to increase the contribution of the MSME and women's sector to national economic development.

RESEARCH PURPOSES

The purpose of this study are:

1. Analyse the role of MSMEs and woman entrepreneurs in reducing unemployment and improving the economy
2. Analyse the challenges in economic improvement and solutions through MSMEs and woman entrepreneurs
3. Devise strategies to increase awareness and skills in business development for womenpreneurs and strengthen the MSMEs sector.
4. Providing an understanding of the importance of entrepreneurship, woman entrepreneurs, and the role of MSMEs in economic development, as well as strategies to overcome existing challenges.

RESEARCH METHODS

This research uses the literature review method. Literature review or " Literature review is the process of locating, obtaining, reading, and evaluating research literature in your field of interest (Bordens and Abbott, 2018). A review through comprehensive research and interpretation of literature related to a specific topic, which includes identifying research questions by searching and analysing relevant literature using a systematic approach, analysing data using a simplified approach.

This journal search strategy uses the database available on Google Scholar. According to (Sugiyono, 2018), secondary data sources are data sources that are not directly provided to the collectors, such as books and some official websites. The keywords used to search these journals are MSMEs, human resources and women entrepreneurs. Based on a literature review of previous studies examining the factors influencing the empowerment of women entrepreneurs, this section delves into an exploration of these factors and provides a framework for understanding how they interact. The theoretical framework has been developed to elucidate the various factors that impact the empowerment of women entrepreneurs (Ritha F Dalimunthe, Zulkarnain, et al., 2023).

The analysis in this approach goes through several important stages, including collecting literature sources, reviewing and summarising any literature that is relevant to the topic the author has researched, looking at the strengths and weaknesses of that research, and analysing the relationship between one piece of literature and another. Then identify several themes that can explain the research questions raised in the literature review. Then, all the themes are combined so that they become a finding in the journal, each theme is compared and reviewed to ensure that each theme has been named appropriately and that the collection of themes forms a coherent theme, then each theme is analysed in depth and how it relates to each other, and a critical appraisal of each literature is reviewed to ensure that the themes identified can adequately answer each research question.

RESEARCH RESULT

The results of the literature review in more than 5 journals that the writer found showed that MSMEs through women entrepreneurs have a positive impact on the economy in Indonesia. Improving human resources through quality education and improving competitiveness are is key for MSMEs to be able to compete in the international market. In (Lumbanraja et al., 2020) improving competitiveness for increase quality education about entrepreneur will remain true that many of the students still had a job seeker mindset, several of the students having their paradigm changed. They started to believe that it is easier to create your own opportunities than looking for the given opportunities.

According to (Ritha F Dalimunthe et al., 2022) A person who can develop a new business must have the spirit of entrepreneurship, among other things, be able to accept risks and uncertainties in order to gain profits by seeing opportunities and utilizing resources. Entrepreneurship plays an important role in improving the economy of an area in a country because it can create jobs and increase national income and minimize economic and social inequality. An entrepreneur can overcome unemployment specifically for himself while for a developed country must have a number of educated people who are entrepreneurs so that the country is helped in creating jobs.

This research is an effort to build the competitive advantage of women's small entrepreneurs with HR transformation in Women's Small Entrepreneurs (Implementation of Social Entrepreneur Strengthening Model) with innovative performance. The expediency of HR transformation is to redesign the HR function or division, an integrated, aligned, innovative and business-focused approach to redefine HR work so as to assist small women entrepreneurs in meeting the needs made to stakeholders. HR transformation aimed at HR professionals must be able to understand the principles of change to be able to apply them in order to be in a better position. Human resource transformation is expected to produce more qualified and innovative women entrepreneurs, able to create new ideas, dare to take risks, dare to make decisions, and have the ability to explore new things in creativity (Ritha F Dalimunthe et al., 2022)

Women preneurs have a very positive impact on the economic growth of the community in Indonesia, especially the city of Medan, through women preneurs can open the mindset of the wider community that women can also have income and open jobs to help many people who are not working (unemployed). entrepreneurship and empowerment of women in reducing unemployment and improving the economy is very important. In (Ritha Fatimah Dalimunthe & Lubis, 2020) women prenenurs accomplished Through training, mentoring and providing business skills, housewives are able to develop local food based culinary businesses using natural and healthy ingredients.

In (Ritha F Dalimunthe, Zulkarnain, et al., 2023) The social activities carried out by wives are more dominant than their husbands, such as social gatherings, religious study groups, PKK, and community work. Especially in women's organizations, wives have a significant role and actively become an administrator, attending meetings and providing opinions during discussions. This is because wives, who are also active female entrepreneurs, participate in communities or business groups that are not only profit-oriented but also contribute to the community's welfare through social entrepreneurship.

The highest performance of female entrepreneurs lies in their effort to empower the resources they possess in their business activities since HR are the key to creating sustainable and developing businesses. However, it turns out that every month, the capital spent by female entrepreneurs does not experience a significant increase and the monthly business profits obtained are unstable, making their businesses still suboptimal. Therefore, there needs to be training or education for HR as business practitioners so that the businesses they run can grow rapidly and have higher turnover. (Ritha F Dalimunthe, Zulkarnain, et al., 2023)

According to Welter et al. (2004), women entrepreneurship is particularly important for five main reasons. First, women-owned businesses tend to reduce workplace discrimination against women. Second, women entrepreneurship can play an important role in combatting the trafficking of women and girls. Third, female entrepreneurs attract more female involvement in start-ups, especially among younger generations. Fourth, women entrepreneurship boosts the private sector of the economy. Fifth, female entrepreneurs pay more attention to social goals in addition to economic ones compared to male entrepreneurs.

This research also highlights that the importance of strategies in the development of MSMEs at this time to increase the competitiveness of MSMEs, the need for innovation development through the use of social media and the use of technology for this requires competitive advantages for human resources, and also requires high innovation and creativity to be able to compete. According to (Putro et al., 2021) One of the strategies to improve the competitiveness of MSMEs is to Improving the quality of human resources and production and utilizing technology to conduct online marketing to expand the market.

This is also the government's focus to reduce unemployment. Discuss strategies for increasing awareness, skills and cooperation in business development and strengthening the MSME sector through women entrepreneurs. According to (Ilham & Octaviani, 2024) MSMEs are the main focus of the government in alleviating poverty and unemployment. It is necessary to focus on the role of MSMEs in the economic development of Indonesia by showing and realizing the contribution of women entrepreneurs and the potential they have. So that it can answer questions about the strategies needed to overcome the challenges that will be faced.

CONCLUSION

Based on the results of the literature review above, it can be concluded that MSMEs play an important role in improving the economy of the people in Indonesia. MSMEs have a strategic role in economic growth and employment to reduce the problem of unemployment, especially in the face of economic crisis. Despite their great role, MSMEs are not free from several challenges such as limited human resources, lack of interest in entrepreneurship, limited capital, difficult access to finance and unfavourable business climate conditions. It is therefore important to continue to promote the role of MSMEs in national economic development through support in terms of training, capital, access to finance and the creation of an enabling business climate.

The contribution of women entrepreneurs is vital in this drive. women have welcomed the opportunity to engage in entrepreneurial activities, and they have been backed by wholehearted support from their families and society in addition to tangible government support. Building a culture of value creation, awareness, and trust is essential to making progress in this regard. Therefore, women entrepreneurs need to be developed and supported through entrepreneurial training and mentoring, as well as the formation of entrepreneurial groups. It is hoped that these steps will achieve the goal of creating MSMEs that can compete globally and improve the economic well-being of the wider community.

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