

# Enhancing Women Empowerment on Micro and Small Business Through Social Entrepreneurship Concept

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**Abstract.** The focus of this research is to analyze the model of empowerment of women in SMEs are part of the special actors for national economic growth, that proved can last throughout the world crisis. The purpose of this study is to analyze models of empowerment of women in the work area of The Association of women SMEs. It is qualitative research, according to Participative Action Research, through observing on many events of the entrepreneurial activities, that are held by women SMEs by exploring socio-economic problems. Data collecting is doing by interviewing women entrepreneurs, and so by triangulation technique. Triangulation technique to help to data collection and analysis simultaneously, and verify. The result of the research shows the critical dimensions of SME. For existence, the women SMEs, need to build a model of women empowerment on SMEs. And 'Aisiyah Movement as the social agent has to drive to improve the women entrepreneur of the quality of life of women and their family, by social entrepreneurship.

**Keywords:** women SMEs, social entrepreneurship, empowering dimensions

## INTRODUCTION

Dollinger said: "Common elements and characteristics entrepreneurship are a) Creativity and innovation, b) Resource identification, acquisition, and marshaling, c) Economic organization, and d) Opportunity for gain (or increase) under risk and uncertainty"[1]. Business is to reach gain by wealth creation, and researchers agree that SMEs play a significant role in the economy. In developing countries, they face numerous challenges by which high failure rates. The Kauffman Foundation is nongovernmental organizations (NGO) to become a stakeholder for entrepreneurs, supports education, research, and community-based action to help promote new venture creation and entrepreneurship [1]. And Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, release data in Figure 1, [2].

The global development agenda, as we know has evolved from MDGs to SDGs, agreement of SDGs program develops a conception of

sustainable development, which is to meet current needs without sacrificing future generations [3]. And implementation requires linkages of three basic policies: economic, social development, and environmental protection. Social entrepreneurship practices in Indonesia are currently very attractive, to examine the business institutional model that will be developed [4].

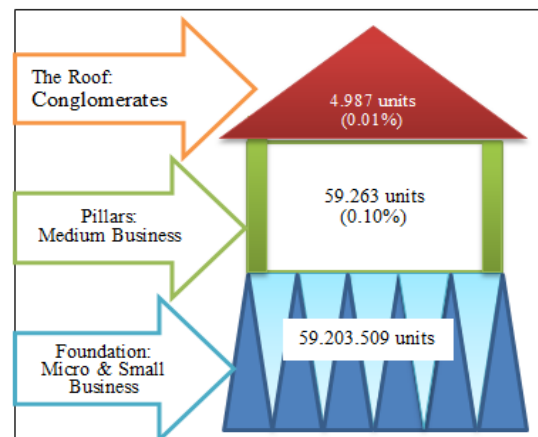


Figure 1: National Economy Structure

A woman, who is having a family, and high social spirit, interested not just 'money' and become more a 'mom' at the society, than another. It is a basis of social entrepreneurship, and it's a very identic by women soul (more feminine) [5].

So, activists are developing the citizen or community, and the mentors are joining in 'Aisiyah Movement, must have a high spirit, and do not give up easily in a roll-out its various economic programs. Value creation gives an impact on human development, and it will determine the sustainability of social entrepreneurship. They need strategic skills and also need conceptual and skill managerial, of course.

The background of an entrepreneur will be influenced by family, friends, leaders (/ulama), and teacher or advisor. This will reflect the character of an individual, which will appear when responding to social problems. Values that have been inculcated in individuals will be firmly rooted and become a belief when determining right and wrong. Values that are believed by someone will determine the intention of someone in social entrepreneurial, which can be described as an attitude when going to start a business. This attitude is a social value, a desire that will determine the decision of someone

in starting a business: *Empathy, Moral judgment, Self-efficacy, and Milieu social support* [6].

The purpose of this research is to know enhancing women entrepreneurship on micro and small businesses through Social Entrepreneur Concept.

**METHOD**

Researchers want to know enhancing women entrepreneurship on micro and small businesses, by empowering on Technological and Operational, Marketing, Financial and Human Resource Management, and Strategy dimensions. This research uses a qualitative-explorative research type, and subjects are women entrepreneurs, who are in the group of IPAS (association of women entrepreneurs).

Subjects are a source of qualitative data, by deep interview or in-depth interview [7], by describing a socio-economic symptom of a woman entrepreneur. The purpose of this type of interview is to find problems more openly, where the parties invited to the interview are asked for opinions, and ideas [8].

This study used data analysis techniques, are consisted of: 1) Reduction of data, i.e. select data needed. Reducing data also means summarizing, choosing the main points, focusing on the important things, and looking for themes and patterns; 2) Presentation of data, which is a collection of organized information that gives the possibility to conclude. In qualitative research, the presentation of data can be done in the form of brief descriptions, charts, relationships between categories, flowcharts, and the like; and 3) Conclusion (verification), where the conclusion is drawn to answer the problem formulated from the start. Conclusions drawn in qualitative research can be in the form of a description or picture of an object that was previously still dim or dark so that after examination it becomes clear.

In qualitative research, data collection is also used triangulation, which is interpreted as a data collecting technique that combines data gathering techniques and existing data sources. The triangulation method, are actually collecting data and tested the data's reliability simultaneously, they are checking the credibility of the data by various data collecting techniques and various data sources.

Triangulation is a technique of collecting data from the same source to get different data. Besides, this study uses participatory observation and documentation for the same data source simultaneously. The method used is to use the results of the interview, and then is processed. Next step, data is compared to the results of the interview obtained from other sources, whether the two have a relationship or are different in reality.

**RESULT & DISCUSSION**

This research was conducted in 'Aisyiyah Movement that has three pillars: education, health, and social. A view of 'Aisyiyah is a prosperous society with the pleasure of Allah, termed *falah*. 'Aisyiyah Movement has collected and recorded entrepreneur women named IPAS (Association of 'Aisyiyah Entrepreneurs). They emphasize on improving the quality of women's lives, to reach the welfare family. They will be independent, supported by strengthening and empowering economic capacity through BUEKA Program with local wisdom [9]. The policy is stated by Noorjannah as Head of 'Aisyiyah Movement, on The Opening Remarks at Mukhtamar: *'Aisyiyah must be a trigger of change for progressing of women and to be a strong attraction in the arena of the women's movement in Indonesia*. [10].

Social entrepreneurship is to become a shared solution. Besides getting material (the profitability currently), it is also the hereafter dimensioned (the profitability for the long term). To make the maximum amount of profit is not the main purpose for the social enterprise movement, and also women's social entrepreneurship, of course.

**Empowering Women Entrepreneurs**

Empowerment is done by assist and coaching for micro and small businesses, inclusively, and based on community. As Musofah said, *"an entrepreneur must look for/have ideas, that is, determine what will be produced/produced to be utilized by the community/consumers"*.

Niswati experience providing sewing training at the Community Learning Centers, that value creation is strongly influenced by values held by someone, can be intrinsic or extrinsic, which makes a locus of control internally or externally controlled. 'Aisyiyah work designs are planned, the theme "Women's Economic Empowerment Movement, Pillar of Prosperity of the Nation", [11]. Economic empowerment is focused on women entrepreneurs who are categorized as MSEs, and the activities as figured below:

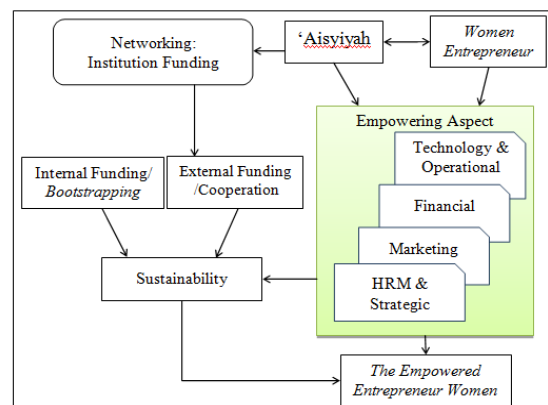


Figure 2: Empowering Women Entrepreneur

### **Entrepreneur Empowerment for UMK Sustainability**

The superior empowerment activities can be grouped into 1) Developing Assakinah Cooperatives; 2) Establish an Association of Women Entrepreneur (IPAS), and 3) Conduct training and education by workshops and so the Entrepreneurship School 'Aisyiyah (SWA) program; and 4) Strengthening and improving networks in the economy of women entrepreneurs. Thus, empowerment for women entrepreneurs in the UMK group is generally done for two main things, namely entrepreneurial management and entrepreneurial strategy (entrepreneurial strategy).

All of the SMEs need to pursue continuing their life with the three elements, are resources, team, and opportunity. If the opportunity is too big for the team and resources available, the seesaw collapses to the left, and the enterprise fails. If the team is too highly skilled and/or the resources are more than what is needed to pursue the given opportunity, the seesaw collapses to the right, killing the enterprise through inefficiency. The enterprises have to remain healthy and survives, and therefore, they must keep the elements-opportunity, team, and resources-in balancing. This is an on-going process. The opportunity is growing over time, and the team and resources must grow commensurately also. If for whatever reason(s), the opportunity shrinks, then the entrepreneur must "shrink" the team and resources in equal measure too. The team of individuals with complementary skills assembled and the financial and physical resources marshaled must match the size of the opportunity that the enterprise is seeking to fulfill.

#### **Aspects of empowerment that need special attention:**

- 1) Marketing Management Aspects, Often become weaknesses and obstacles for MSEs, there are
  - a. Lack of knowledge about the actual market, including consumer needs and behavior and references from consumers
  - b. Low brand acceptance and competition
  - c. Problems with halal labeling and certification
  - d. Communication problems, and maintaining existing customers while increasing the customer base
  - e. Lack of confidence in marketing products and getting potential new customers
 Entrepreneurs must be able to ascertain whether the products/services being sold are effective or not, it will affect the success of the business, by providing excellent service to consumers.
- 2) Aspects of Financial Management and Funding:

These aspects are the most basic obstacles faced by MSEs, who do not understand the valuation or value of a business, including women entrepreneurs in the MSEs group.

Most participants get an initial source of funding from family finances (internal funding) which is a savings fund from a close relative (Bootstrapping), but most also want to not rely solely on donations. Therefore, after the business can run, entrepreneurs in the MSE group prioritize funding from cooperatives or facilities provided by the Government, or funds from non-family sources (external funding). Thus the sustainability of the business becomes a big challenge for the MSE group.

- 3) Operational and Technology Aspects:
 

These aspects are still obstacles and obstacles for almost all MSEs, while technology functions to make business operations effective. The technology used by women entrepreneurs 'Aisyiyah, is very simple, as a tool in business operations for a process to get value creation. Obstacles in this part of the operation will have an effective impact on the image of the product and business.
- 4) Aspects of Business Strategy
 

In the implementation of economic empowerment, MSEs are also introduced to the business strategy by accurately. Business is not only requires technical skills, but also an effective business strategy, such as BMC (Business Model Canvas). BMC strategy is expected to lead the business clearly and intact, by identifying the strengths and weaknesses of the business running, it will be guaranteed business continuing. There are 9 focuses: Customer Segment, Value Proposition, Channels, Customer Relationships, Revenue Streams, Key Activities, Key Resources, Key Partnerships, and Cost Structures [12].

Related to the management strategy, communication is very important, to mobilize planning, and create a conducive organizational climate, discipline, and decision-making process. Empowering women entrepreneurs, so that the business continuity of the UMK group can be maintained well.

One of the simplest and most elegant models of the entrepreneurship process is the process envisions and practice of entrepreneurship as a balancing act, like a seesaw [13]. They must balance three weights that are variable in size, resources, team, and opportunity.

Institution of Microfinance has to provide financial services, as credit and savings services for SMEs tailored to their needs and conditions, by good program: 1) *Small loans*, 2) *Simplified*, 3) Alternative approaches to collateral, 4) Fast loan repayment after Timely repayment, 5) Interest rates

above the market, 6) High repayment rates, 7) Convenient location and time of service [14].

The main obstacle of funding to the poor causes the lack of tangible assets as collateral principal. It creates a vicious cycle, which micro-entrepreneurs cannot access financial institutions unless they offer sufficient guarantees. While they will not have real guarantees unless they make a strong production base. They also cannot strengthen the productive base, unless they gain access to finance [15].

Also, institutions of funding are often assumed the small entrepreneurs as generating smaller profit potentials and have higher borrowing costs and bank risks. A large number of companies are widespread demanding, both in terms of time and effort. The borrower may be not easily accessible, they can be separated from their clients, by language, literacy, and cultural differences. The clients might not comfortable with the documentation and accounting conventions that are required.

Social entrepreneurs as an individual by innovative solutions to social problems. They are concerned with the practice implementation of their vision above all else [16]. But they are also illustrating, as someone, who is pushed by the mission and using a series of entrepreneurship manners bringing social values to the less fortunate people. The activities are the institution oriented, and then, end of the purpose is to be independent and which can sustainably fulfill their own needs.

In other words, a social entrepreneur is someone who understands the social problems and uses its entrepreneurship ability to create a social change. 'Aisyiyah movement drive to independently women, by an upgrading capacity on economic, through workshop and training to make up their competition and adaptive for changing.

If the social venture is a part of the social entrepreneur idea. The venture is using free-market principles to solve urgent social problems. Social ventures must be profitable and sustainable [17]. 'Aisyiyah showed, it's important to concern, although if it empowerment is alignments an unreasonable, it is struggling. A vision of social entrepreneurship is different from the common of entrepreneurship. Entrepreneurship is common as works to get maximum profit, but social entrepreneurship is working to improve the citizen's capacity. Successful in the venture, if they getting maximum profit, and, in social entrepreneur, it's measured from of the benefit which is being perceived by the community.

### CONCLUSION

Based on the results of this study can be concluded that the problem of women entrepreneurship on micro and small business is latent and fundamental. Those are Marketing

Management, Financial Management and Funding, Operational and Technology, and Business Strategy. MSEs have significant roles and very important to the national economy. The existence of MSEs must be maintained and needed support by empowerment. The empowerment will impact to improve the quality of life, by motivating for changing to be better for increasing family income.

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