

STRENGTHENING WOMEN'S ECONOMIC EMPOWERMENT THROUGH RESPONSIBLE MICRO-ENTERPRISE DEVELOPMENT IN RURAL LOMBOK

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Abstract

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in supporting Indonesia's economic development, including improving the welfare of rural communities. However, women's participation in economic activities in rural Lombok continues to face various challenges, including limited access to productive resources, low value-added production, and patriarchal cultural norms that restrict women's economic opportunities. This article examines strategies for strengthening women's economic empowerment through responsible micro-enterprise development based on local resources in rural Lombok. The findings indicate that optimizing local resources, such as marine products, seaweed, palm sugar, and traditional woven handicrafts, creates value-added business opportunities for women. Responsible micro-enterprise development extends beyond income generation by integrating social, cultural, and environmental dimensions through the application of local values, zero-waste practices, institutional strengthening, and digital technology adoption. In addition to improving women's financial independence, such initiatives enhance their bargaining power within households and communities. Therefore, local resource-based micro-enterprise development grounded in sustainability principles represents an important strategy for fostering inclusive and sustainable women's economic empowerment in rural Lombok.

Keywords: women's economic empowerment; micro-enterprises; MSMEs; local resources; Lombok; sustainable development

INTRODUCTION

Women's Economic Empowerment (WEE) has become a key priority in the global development agenda due to its close association with the achievement of the Sustainable Development Goals (SDGs), particularly those related to poverty reduction and social equity (Williams et al., 2025). Women's economic empowerment extends beyond the ability to generate income; it encompasses women's enhanced access to, control over, and capacity to manage productive resources and participate in economic decision-making processes. Theoretically, women with greater economic autonomy are not only better positioned to improve their own well-being but are also more likely to allocate their income toward strategic household investments, including healthcare, children's education, and community development (Ge et al., 2022). Consequently, strengthening women's economic empowerment generates benefits that extend beyond the individual level, contributing to household resilience and broader socio-economic development.

Despite its strategic importance, women continue to encounter a range of structural barriers that constrain their participation in economic activities. These barriers stem from multiple factors, including entrenched patriarchal norms, limited access to formal education, unequal ownership of productive assets, and persistent legal and economic discrimination, all of which place women at a disadvantage relative to men. This suggests that increasing women's participation in the economy cannot rely solely on expanding employment opportunities; rather, it requires comprehensive

interventions that address the social and institutional constraints limiting women's ability to develop their economic capabilities.

One widely adopted strategy for promoting women's economic empowerment is through the development of Micro and Small Enterprises (MSEs). In many developing countries, including Indonesia, MSEs constitute one of the primary pathways through which women engage in productive economic activities (Andriamahery & Qamruzzaman, 2022; Hendratmi et al., 2022). Entrepreneurship enables women to achieve greater financial autonomy while providing the flexibility to balance income-generating activities with family responsibilities. Nevertheless, despite the significant opportunities offered by micro-enterprises, women-owned businesses continue to face substantial challenges, including limited access to finance, inadequate technical knowledge, low levels of financial literacy, and the burden of domestic responsibilities, commonly referred to as the motherhood factor.

These challenges indicate that women's empowerment through micro-enterprise development cannot be achieved solely through economic interventions such as providing capital or expanding access to credit. Microfinance programs that focus exclusively on lending often fail to generate sustainable economic transformation unless accompanied by capacity-building initiatives and the development of a supportive entrepreneurial ecosystem. Previous research suggests that financial inclusion must be complemented by capacity development to ensure that empowerment initiatives produce meaningful and sustainable outcomes (Finlay et al., 2025). Furthermore, many women's empowerment programs continue to face implementation challenges because they do not adequately account for the social and cultural norms that shape women's agency in household and community decision-making.

These issues are particularly relevant in the Indonesian context, where Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in national economic development. As the country's largest source of employment, MSMEs contribute more than 58% of Indonesia's Gross Domestic Product (GDP), making them a major engine of economic growth (Palakyah et al., 2024). This substantial contribution highlights that MSMEs function not only as a source of livelihood but also as an important instrument for poverty alleviation, employment generation, and improved community welfare, particularly in rural areas where economic activities remain predominantly small-scale.

In rural communities, MSME development is closely linked to the utilization of locally available resources. Local resource-based enterprises serve not only as an important source of household income but also as a mechanism for community empowerment by leveraging indigenous knowledge, cultural heritage, and natural resources. Within this context, women occupy a strategic position as both entrepreneurs and workers across various productive sectors. Their participation contributes to increasing household income while simultaneously strengthening household economic resilience, particularly among low-income families.

However, despite their significant potential, women's participation in rural MSMEs continues to face considerable challenges, particularly in Lombok. Women actively contribute to a wide range of economic activities; nevertheless, most remain concentrated in low value-added occupations or perform supporting roles within fishing and farming households (Husni et al., 2026). Consequently, women's economic contributions have yet to translate into meaningful economic independence or substantial improvements in household welfare. Compared with men, women continue to experience greater constraints in establishing independent businesses, accessing financial services, and expanding market networks.

These conditions are closely associated with prevailing socio-cultural norms in many rural communities. Patriarchal values continue to assign women primarily to domestic responsibilities, including household management and family care, whereas productive economic activities are generally perceived as men's responsibilities (Sunardi & Cahyadi, 2022). As a result, women face

limited access to productive resources, entrepreneurial training, and participation in economic decision-making processes. Yet, extensive evidence suggests that greater female participation in economic activities contributes significantly to local economic development and improved household welfare.

Beyond socio-cultural barriers, women's economic empowerment in Lombok is also constrained by the broader economic conditions of rural and coastal communities. High poverty rates and limited formal employment opportunities compel many households to depend on micro-enterprises as their primary source of income. Under these circumstances, transforming women's roles from supporting household livelihoods to becoming independent, productive entrepreneurs capable of generating value-added products is essential (Jannah et al., 2025). Such transformation is critical not only for increasing household income but also for strengthening the economic resilience of rural communities.

Against this backdrop, women's economic empowerment represents a relevant strategy for enhancing women's capabilities and economic independence. Women's economic empowerment refers to the process of increasing women's access to and control over productive resources, thereby enabling them to influence economic decision-making within households and communities (Sunardi & Cahyadi, 2022). Through improved access to finance, education, technology, training, and markets, women are better equipped to establish and expand businesses independently, enhance productivity, and strengthen their bargaining power in economic activities.

One promising strategy for achieving these objectives is the development of micro-enterprises based on local resources. Lombok possesses abundant economic assets that can be transformed into community-based productive enterprises, including traditional weaving industries in Sukarara and Pringgasela villages, handicraft production, agricultural processing, and seaweed-based agro-industries in East Lombok. These enterprises generate economic value while simultaneously preserving local cultural heritage and creating employment opportunities, particularly for women (Husni et al., 2026; Ajeng et al., 2024). By utilizing locally available resources, community-based micro-enterprise development offers an approach that is well aligned with the socio-economic characteristics of rural communities.

Nevertheless, women's micro-enterprise development should not be evaluated solely in terms of economic returns. The concept of responsible micro-enterprise development emphasizes that entrepreneurial success must also incorporate social, cultural, and environmental dimensions. Under this approach, micro-enterprises function not merely as sources of income but also as mechanisms for strengthening community participation, preserving local resources, and promoting more inclusive and sustainable economic development.

Although previous studies have examined women's economic empowerment, MSME development, and the role of micro-enterprises in improving community welfare, most have focused separately on income generation, access to finance, or entrepreneurial capacity building. Research integrating the concept of responsible micro-enterprise development with women's economic empowerment within the rural context of Lombok remains limited. Given Lombok's distinctive socio-cultural and economic characteristics, there is a need for an empowerment framework that extends beyond economic growth to incorporate sustainability, local values, and women's capacity development.

Against this background, this article examines models of women's economic empowerment through responsible micro-enterprise development in rural Lombok. Specifically, it seeks to explore how locally based micro-enterprises can serve as effective instruments for strengthening women's economic independence while fostering inclusive, equitable, and sustainable rural development. The findings are expected to contribute to the literature on women's economic empowerment and provide practical insights for policymakers, academics, and other stakeholders in designing

sustainable micro-enterprise development strategies that enhance the welfare of women and rural communities.

METHODS

This study employed a qualitative descriptive approach using observational methods to examine the current state of women's economic empowerment through micro-enterprise development in rural Lombok. This approach was adopted to obtain an in-depth understanding of community economic activities, particularly women's participation in local resource-based micro-enterprises, as well as to identify the opportunities and challenges associated with enterprise development.

Data were collected through observation of community business activities and an assessment of the socio-economic conditions of the study area. The observations focused on several key aspects, including the types of micro-enterprises being developed, the utilization of local resources, women's roles in productive economic activities, and the enabling and constraining factors affecting the sustainability of micro-enterprises.

The collected data were analyzed descriptively to provide a comprehensive overview of women's economic empowerment and the potential for developing responsible micro-enterprises in rural Lombok. The findings were subsequently used to formulate strategies for strengthening women's micro-enterprises by integrating economic, social, and sustainability dimensions within the rural development context.

RESULTS AND DISCUSSION

Optimizing Local Resources for Women's Micro-Enterprise Development in Lombok

The success of women's micro-enterprise development in rural Lombok largely depends on the community's ability to optimize locally available resources. Utilizing locally abundant commodities has become a key strategy because it not only ensures access to raw materials but also creates greater economic value through innovative processing activities. A local resource-based approach enables women to participate actively in productive economic activities while preserving the social and cultural characteristics of their communities.

In coastal areas such as Batu Nampar Selatan Village and Labuhan Haji Village, women's economic empowerment has been promoted through the development of marine-based products, particularly seaweed and fisheries commodities. Products that were previously marketed only as raw materials have been transformed into value-added processed products, including fish crackers, pilus (crispy fish snacks), and fish sticks. This product diversification demonstrates that marine resource processing not only increases the economic value of local resources but also creates new entrepreneurial opportunities for women, thereby contributing to higher household incomes.

Similarly, in mountainous areas such as Tetebatu Selatan Village and Setiling Village, women's micro-enterprise development has focused on utilizing local agricultural commodities, particularly palm sugar. These raw materials have been processed into higher-value products, such as palm sugar coconut candy and instant herbal powder, which possess longer shelf lives and more attractive packaging. These innovations illustrate that successful local resource-based micro-enterprises depend not only on the availability of natural resources but also on creativity and product innovation to enhance competitiveness in the marketplace.

Responsible Micro-Enterprise Development Model

Women's micro-enterprise development in Lombok is not solely directed toward increasing economic returns but also incorporates principles of social, cultural, and environmental responsibility. The concept of responsible micro-enterprise development emphasizes that business

success should be measured not only by financial performance but also by its contribution to community welfare and environmental sustainability.

One manifestation of responsible entrepreneurship is the integration of local cultural and religious values into women's economic activities. In Sukarara Village, women's micro-enterprises are developed based on Islamic values by applying the principles of Maqashid Sharia, which emphasize the protection of religion, life, intellect, lineage, and wealth. This approach reflects the view that economic activities should pursue not only material benefits but also moral values and social well-being. Furthermore, the implementation of Sharia-compliant financial systems that prohibit interest (riba) provides entrepreneurs with greater confidence in conducting business in accordance with community beliefs and ethical values.

Environmental sustainability also constitutes a fundamental component of responsible micro-enterprise development. An example is the "Rerempek" woven fabric innovation in Pringgasela Selatan Village, where leftover weaving yarn is recycled into new textile products with aesthetic and commercial value. This practice illustrates the application of the zero-waste concept within the local creative industry, transforming production waste into valuable economic resources while simultaneously supporting environmental conservation.

Economic responsibility is further reflected in efforts to establish fairer business systems for women entrepreneurs. The formation of Joint Business Groups (Kelompok Usaha Bersama/KUBe) in Labuhan Haji Village has strengthened women's bargaining power within local supply chains. Through collective action, women are no longer merely producers dependent on intermediaries but are better positioned to obtain a more equitable share of the value generated by their products. Consequently, community-based business institutions serve as important mechanisms for promoting a more equitable distribution of economic benefits.

Strategies for Strengthening Women's Economic Empowerment

Ensuring the sustainability of women's micro-enterprises in Lombok requires strengthening strategies that extend beyond production activities to encompass capacity building, institutional support, and expanded market access. The findings of this study identify three key dimensions that contribute to strengthening women's economic empowerment: capacity development in technical and managerial skills, multi-stakeholder collaboration, and digital transformation.

First, enhancing women's technical and managerial capacities is essential for improving the competitiveness of micro-enterprises. Business development depends not only on production capabilities but also on entrepreneurs' ability to manage their enterprises effectively. This includes basic financial management practices, such as separating household finances from business capital, maintaining systematic records of revenues and expenditures, and improving product packaging to meet hygiene and market standards. These managerial competencies enable women entrepreneurs to operate their businesses more professionally, improve operational efficiency, and ensure long-term business sustainability.

Second, the effectiveness of women's economic empowerment is strongly influenced by collaboration among multiple stakeholders through the pentahelix approach. Within this framework, village governments act as regulators and policy facilitators by creating a supportive business environment and providing institutional assistance. Higher education institutions contribute by delivering research-based mentoring, entrepreneurship training, and technological support. The media play an important role in increasing product visibility and promoting local enterprises, while the private sector facilitates broader market access and commercial partnerships. The synergy among these stakeholders creates an enabling ecosystem that supports the sustainable growth of women's micro-enterprises and rural economic development.

Third, digitalization has emerged as a significant opportunity for women entrepreneurs to overcome geographical constraints and expand market reach. The use of digital platforms, including social media applications such as WhatsApp, Facebook, and Instagram, as well as various e-

commerce platforms, enables locally produced goods from Lombok to reach consumers beyond their immediate communities. Digital marketing not only increases product visibility but also strengthens business competitiveness by allowing entrepreneurs to access wider markets at relatively low cost. Consequently, digital transformation has become an important strategy for enhancing the resilience and sustainability of rural micro-enterprises.

Social and Economic Impacts of Women's Empowerment

Women's economic empowerment through micro-enterprise development generates impacts that extend beyond economic outcomes to broader social transformation. Economically, women's participation in productive enterprises contributes directly to increased household income and greater financial independence. One notable example is the women's weaving group in Sukarara Village, which experienced an increase in net income of 151.4% following improvements in business management (Ajeng et al., 2024). This finding demonstrates that strengthening managerial capacity can substantially improve the economic performance of women-led enterprises.

Beyond financial gains, women's economic empowerment also enhances their social position within households and communities. Women who earn independent incomes tend to possess greater self-confidence and stronger bargaining power in household decision-making processes. Increased economic independence also helps alleviate household financial pressures, thereby reducing one of the underlying risk factors associated with domestic conflicts, including domestic violence.

Overall, the development of women's micro-enterprises in Lombok demonstrates that economic empowerment is not merely about increasing production capacity or household income. Rather, it facilitates broader social transformation by enhancing women's agency, strengthening their participation in economic decision-making, and promoting more equitable gender relations. The integration of local resource utilization, responsible business practices, institutional support, and marketing innovation provides a comprehensive framework for building an inclusive and sustainable model of women's economic empowerment in rural communities.

CONCLUSION

Responsible micro-enterprise development represents a strategic approach to strengthening women's economic empowerment in rural Lombok. The findings demonstrate that the utilization of local resources—including marine products, seaweed, palm sugar, and traditional woven handicrafts—creates new economic opportunities for women while simultaneously increasing the value added of locally produced goods. By building upon the region's existing economic potential, women are able to participate more actively in productive economic activities without compromising the social and cultural values embedded within their communities.

Furthermore, responsible micro-enterprise development extends beyond income generation by integrating social responsibility, environmental sustainability, and local cultural values into business practices. The implementation of Maqashid Sharia principles, the adoption of zero-waste production practices, and the strengthening of community-based business institutions demonstrate that women's entrepreneurship can be developed in a more inclusive and sustainable manner. In addition, improvements in business management capacity, multi-stakeholder collaboration through the pentahelix model, and the adoption of digital technologies play critical roles in expanding market access and ensuring the long-term sustainability of women-led micro-enterprises.

Overall, women's economic empowerment through micro-enterprise development in Lombok produces benefits that extend far beyond economic improvement alone. It enhances women's financial independence, strengthens their bargaining position within households and communities, and contributes to more inclusive and sustainable rural development. Therefore, sustained support from government agencies, educational institutions, the private sector, and local communities is

essential to create an enabling entrepreneurial ecosystem in which women can become independent, productive, and competitive economic actors.

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