

Impact of MSMEs in Women Empowerment: A Study of Economic and Social Effects

Shilpa Shukla¹ Saurabh Kumar Upadhyay²

¹Research Scholar, Affiliated to Dr. Ram Manohar Lohia Awadh University, Ayodhya (U.P)

²Research Scholar, Affiliated to Dr. Ram Manohar Lohia Awadh University, Ayodhya (U.P)

Email:- ¹Shilpashukla221@gmail.com, ²skupadhyay7377@gmail.com

Abstract:

The achievement of equitable and sustainable economic growth depends heavily on the empowerment of women in Micro, Small and Medium sized Enterprises (MSMEs). This study examines the social and economic effects of women's empowerment initiatives in the MSME sector. Through a survey of literature, the study seeks to demonstrate how women's empowerment contributes to social progress and economic growth. Through increased engagement in company's activities the research findings show that women's empowerment in MSMEs have a favourable economic impact. Effective training and mentoring programs have been put in place to improve women's managerial and entrepreneurial abilities, which has raised family income. Positive social impacts are also produced by women's empowerment, which increases their participation in community service and family decision-making. This study offers a basis for the creation of more successful empowerment policies and initiatives by gaining a thorough grasp of these effects. To foster an atmosphere that encourages women to play an active role in MSME, it involves a number of stakeholders.

Keywords: MSME, Entrepreneurship, Economy, Women Empowerment, Financial Literacy, Economic Development, Finance, Financial Instrument

Introduction:

Due to its many important advantages, women's involvement in Micro, Small and Medium Sized enterprises (MSMEs) has the ability to boost the economy on both local as well as on national level (Fauzia and Hasanah,2023). Women frequently serve as the family's pillar and play a crucial part in economic

activity. It is critical to acknowledge the critical role MSMEs play in boosting economic expansion and employment creation (Aini, 2022). Economic inclusion is made possible by women in MSMEs who create jobs, innovate in the business world and offer a wide range of services. Women's participation in MSMEs can also boost productivity by improving operational effectiveness and corporate decision-making. While their involvement aids in adapting to social and economic shifts in the society, the revenue produced by female MSME entrepreneurs also benefits Family welfare. Women's involvement in MSMEs is a powerful pillar in creating an equitable and sustainable economy at all levels, in addition to being an individual contribution` (Marthalina, 2018). However, access to wide markets, competitiveness and efficient business management continue to be important obstacles for the majority of MSMEs worldwide, including those run by women. These difficulties include a shortage of funds for business training and educational opportunities, as well as challenges in comprehending and applying technology to enhance operations (Susanti al., 2003)

The potential for women to be economic change agents is enormous. However, gender disparities in access to opportunities, resources and support limit their capacity to make the best possible contribution. The remedy to this imbalance may lie in empowering women in MSMEs. In MSMEs, empowering women has a favorable effect at both the social welfare and economic levels. We can establish an atmosphere that promotes sustainable economic growth by giving women more access to economic activity (Widhyharto, 2015)

Women may foster creativity, build robust networks in their communities and run firms with specialized talents (Simanjuntak et al., 2023). According to marthalina (2018), women in MSMEs contribute to job creation, better family welfare and faster economic growth. In MSMEs, women's participation is not usually supported by a sufficient degree of empowerment. Social norms and other structural impediments restrict the role of women in the corporate sector, restricted access to financial resources and a lack of appropriate skills and education. Accordingly, more work must be done to get beyond these barriers and provide a setting that encourages women's involvement and empowerment in MSMEs (Mutmainah, 2020).

Given this context, studies on women's empowerment in MSMEs are becoming more and more significant. A thorough understanding of how expanding women's involvement in MSMEs can create a more inclusive society can be gained by analyzing the social and economic effects of women empowerment initiatives as well as a powerful economy.

Method of study

This study combines a literature review methodology with a qualitative approach. A literature review of MSMEs run by women was used to gather data. Searching and evaluating a variety of relevant literature is part of the research process. Finding information sources entails looking through books, research reports and scientific publications about MSMEs and women empowerment. The literature is then examined with an emphasis on the economic impact of micro and small companies and the role of women in MSMEs which are controlled by women as well as potential societal shifts. A thorough picture of the effects of women's

empowerment in MSME is then created by combining the data from the literature. This thorough analysis serves as the foundation for developing detailed findings on the role that women play in the MSME setting, as well as the potential social and economic ramifications of empowering women in this industry.

Results of the study

Social Effects

- **Study of the Economic and Social effect of Women's Empowerment in MSMEs**

A key component of achieving inclusive and long-lasting social and economic effects is empowering women in Micro, Small and Medium sized enterprises (MSMEs). Analyzing the social and economic effects of initiatives to empower women in the MSME sector is the goal of this study. By means of the literature review, this research examines how women's empowerment affects social welfare and economic growth.

- **Social Effect of MSME on Women Empowerment**

According to Fadliyanti et al., empowering women in MSMEs significantly contributes to long-lasting societal development (2023). Examining how women's empowerment in MSMEs affects society involves examining how the function of family women, the effect they have on the welfare of the community, and the rise in economy.

- **Changing role of women in family as well as in society**

The role of women in the family and society has changed significantly as a result of women's empowerment in MSMEs (Raspati & Kadiyono, 2023). The findings demonstrated a rise in women's independence and self-assurance, which in turn led to a rise in their involvement of women in family decision-making. Economically empowered women typically take a more active part in creating the family budget planning the family's future and handling money (Fajri et al., 2023). This shift has been beneficial in dispelling long-held misconceptions about gender roles and setting a good example for the next generation. Women who run MSMEs establish themselves as powerful role models, demonstrating that women can succeed in the corporate sector and significantly contribute to the sustainability of the family and society (Fauzia & Hasanah, 2023).

- **Increased social welfare**

The welfare of society at large is improved when women are empowered in MSMEs. Economically empowered women typically use their extra cash to pay for the family's medical and educational expenses (Khayati, 2023). Furthermore, economic expansion driven by women's empowerment produces more job openings in local communities. Successful women entrepreneurs in MSMEs typically hire local labor, which immediately lowers unemployment rates and enhances community well-being. Accordingly, women's empowerment benefits society as a whole in addition to individuals and families (Siscawati et al., 2020).

- **Access to education and health facilities have increased tremendously:** Access to health and education for families is positively impacted by women's empowerment in MSMEs. Women who have a significant part in the family economics typically place a high value on their kids' education. According to

the study's findings, children are participating in formal schooling at a higher rate and are receiving better financial assistance from parents who own MSMEs. Better access to health care is also made possible by MSMEs' ability to raise family income. Families with greater financial resources access can benefit from high-quality healthcare services, such as regular checkups, prenatal care, and pediatric treatments. This helps to lessen the burden of illnesses that might impair family members' productivity and enhance the general health of the family (Lenhart, 2019; McMaughan et al., 2020).

- **Establishment of strong committees and expansion of network**

Additionally, empowering women in MSMEs builds robust local communities and networks. In order to encourage one another, exchange ideas, and share experiences, women who are involved in business frequently organize associations or groups. Communities of this type foster an atmosphere that encourages development and long-term viability of women-run MSMEs. Women can create business networks that serve as venues for resource sharing, cooperative marketing, and teamwork. This has several advantages for the local economy as whole as well as individual network members. In addition to fostering an atmosphere that encourages the sharing of ideas and best practices, this strong community aids in overcoming the isolation that MSME owners, particularly women, frequently endure these establishments. (Siscawati et al., 2020).

- **Challenges faced and the remedies applied**

Despite the favorable social effects of women's empowerment in MSMEs, obstacles still need to be addressed. In society, certain women could encounter discrimination or gender preconceptions that restrict their capacity to conduct business. Additionally, additional efforts must be made to raise access to training, education, and financial assistance for women, particularly in rural or underdeveloped areas. Additional difficulties include unequal access to opportunities and resources, as well as a lack of assistance from suitable social structures and policies (Siscawati et al., 2020). Therefore, a complete strategy that includes societal norm improvements, strengthened laws that promote women's empowerment, and training programs catered to the unique requirements of women in MSMEs must be included in reform initiatives.

Economic Impact

Women's empowerment in MSMEs has a big economic impact and lays a solid basis for the sector's expansion and long-term viability. The findings and outcomes pertaining to the financial impact of initiatives to empower women in MSMEs are highlighted in this study.

- **Participation of Women in MSME**

One early sign of the effects of empowerment is the active involvement of women in MSMEs. According to the study's findings, more women are working in a variety of MSME industries, including manufacturing, production, commerce, and services. Once restricted to specific roles, women are today become more active in running and managing their companies (Dea, 2019). In addition to giving women new options, their participation boosts the local economy. A more varied and richer market is produced as a result of the diversification of goods and services provided by the growing number of women running MSMEs.

According to Susanti et al. (2023), women's empowerment thus not only modifies the structure of economic participation but also fosters a more vibrant and competitive corporate climate.

- **Increased uses of women's managing skills in MSME**

The findings of the study demonstrate that empowering women in MSMEs through mentorship and training initiatives improves their managerial and entrepreneurial abilities. Women who participate in this class say their knowledge of money management has significantly improved. plan for marketing and operations. This strengthens the foundation for successful and productive company management. Women who possess stronger managerial abilities are better able to recognize business possibilities, control risks, and make the most of their resources. According to Pujari and Kamble (2022), women's empowerment in this context not only benefits individuals but also makes MSMEs more resilient and capable of adjusting to changes in the business environment.

- **Availability of capital and financial resources**

Limited access to business funding is one of the biggest challenges women in MSMEs confront. Access to loans, grants, or venture capital that might aid in the expansion and diversification of businesses is frequently a component of initiatives aimed at empowering women. Women can invest in stronger infrastructure, marketing, and equipment when they have more access to finance. Consequently, this helps women-managed MSMEs increase their capacity for production and marketing. Access to capital has an economic impact that is not just apparent both on a personal level and in the community level.

- **Contribution to growth at both local as well as national level**

Long-term economic growth is significantly impacted by women's empowerment in MSMEs. As women's economic participation and contribution rise, the MSME sector becomes more vibrant and makes a greater contribution to the GDP of a nation. Women who are empowered contribute value through market expansion, product diversity, and innovation. Furthermore, empowering women in MSMEs spurs economic growth that has a positive knock-on effect that raises per capita income, employment prospects, and community welfare. By making contributions to infrastructure, education, and health, women who play a significant role in the local economy promote sustainable community development (Pujari & Kamble, 2022).

- **Challenges faced and remedies applied**

Although there have been beneficial effects, attempts to empower women in MSMEs still face obstacles. A lack of robust business networks, restricted educational opportunities, and enduring gender inequity in certain facets of corporate life are some of these difficulties. Consequently, additional work is required to establish a favorable atmosphere through initiatives for gender equality, regulatory changes, and stakeholder participation. It is impossible to overlook the economic impact of women's empowerment in MSMEs. The dynamics and structure of the local and national economies are significantly altered by empowered women (Purnamawati & Utama, 2019). Through increasing involvement, improved abilities, capital access, and

empowerment of women in MSMEs fosters a more sustainable and inclusive business environment and contributes to economic progress. Thus, in order to reinforce and increase these beneficial effects and build a more equitable and affluent society, additional funding and assistance from governments, non-governmental organizations, and the private sector are required.

Conclusion and suggestions

A key component of attaining inclusive and sustainable economic growth is empowering women in Micro, Small, and Medium-Sized Enterprises (MSMEs). In addition to having a good social impact, women's contributions to the MSME sector significantly boost the economy. Women's empowerment in MSMEs contributes to constructive social development as well. Women who feel empowered typically participate more actively in family decision-making, financial planning, and future planning. This shift has been beneficial in dispelling long-held misconceptions about gender roles and setting a good example for the next generation. Given that MSMEs are essential for boosting economic growth and job creation, women's involvement in MSMEs has enormous potential to boost the economy.

References

- Iqbal agustia, Miransyah and Ritha, Dalimunth (2024): The Role of MSMEs in Women Empowerment in Economic Development in Indonesia: Literature Review, Analysis and Development strategy.
- Ananda, Karmarkar (2021) : Role of MSMEs in Sustainable development and Women Empowerment through Employment generation- A study of Uttarakhand
- Dindin, Abdurrohman (2023) : Women Empowerment in MSME-Analysis of Social and Economic Impacts.
- Aini, A.N. (2022) Break the Bias: Empowered Women of Indonesia MSMEs. Micra
- Dea, V.(2019). An overview of support for women entrepreneurs in Indonesia and Canada: Focus on SMEs and Start-Ups
- Fauzia, H., and Hasanah, A. (2023) External capital analysis on Sustainability of MSMEs led by women.
- IMF (2019): Women and Growth, Finance and development, 56 (March), 6-12.



This is an Open Access Journal / article distributed under the terms of the Creative Commons Attribution License CC BY-NC-ND 3.0) which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. All rights reserved.

Cite this Article:

Shilpa Shukla¹ Saurabh Kumar Upadhyay², “Impact of MSMEs in Women Empowerment: A Study of Economic and Social Effects”, Shiksha Samvad International Open Access Peer-Reviewed & Refereed Journal of Multidisciplinary Research, ISSN: 2584-0983 (Online), Volume 2, Issue 4, pp.01-07, June 2025. Journal URL: <https://shikshasamvad.com/>



CERTIFICATE

of Publication

This Certificate is proudly presented to

**SHILPA SHUKLA & SAURABH
KUMAR UPADHYAY**

For publication of research paper title

**“Impact of MSMEs in Women Empowerment: A Study of
Economic and Social Effects”**

Published in ‘Shiksha Samvad’ Peer-Reviewed and Refereed Research Journal and
E-ISSN: 2584-0983(Online), Volume-02, Issue-04, Month June 2025, Impact-
Factor, RPRI-3.87.

Dr. Neeraj Yadav
Editor-In-Chief

Dr. Lohans Kumar Kalyani
Executive-chief- Editor

Note: This E-Certificate is valid with published paper and
the paper must be available online at: <https://shikshasamvad.com/>