

From Dream to Reality

Empowering Indonesian women entrepreneurs for a stronger society

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Foreword



As the co-principal author of this report, it's both an honor and a privilege to present a report that illuminates the formidable journey and the vast potential of Indonesian women entrepreneurs.

This study, underpinned by a collaboration between Boston Consulting Group (BCG) and Stellar Women, harnesses a wealth of on-the-ground data, interviews, and surveys with over 500 women entrepreneurs across Indonesia. It seeks not just to map the current landscape but to chart a course for how women-led Micro, Small, and Medium Enterprises (MSMEs) can reshape Indonesia's economic future.

This report is a testament to the resilience, innovation, and drive of Indonesian women entrepreneurs who, despite facing a gamut of challenges, continue to play a pivotal role in the nation's economy. It addresses the multifaceted barriers these entrepreneurs encounter, ranging from access to financing and digital literacy gaps to societal biases and regulatory hurdles. Yet, it also celebrates their achievements and the unique opportunities they possess for driving growth, innovation, and gender parity within Southeast Asia's largest economy.

Our findings underscore the critical need for targeted support systems, enhanced policy frameworks, and a collaborative effort from all sectors of society to unlock the full potential of women-led businesses.

In drafting this foreword, I am deeply inspired by the stories of perseverance and success that emerged throughout our research. It is a call to action for policymakers, industry leaders, and communities alike to recognize the immense contributions and untapped potential of women entrepreneurs. By providing them with the necessary tools, resources, and support, we can ensure a more inclusive, equitable, and prosperous future for all. This report lays the groundwork for such endeavors, aiming to foster a robust ecosystem where women's entrepreneurship can thrive, thereby enriching our society and economy in immeasurable ways.

Warm regards,
Lenita Tobing (Managing Director & Partner, Boston Consulting Group)

Women are natural powerhouses in the business world, constituting 1 in 3 entrepreneurs, showcasing impressive innovation and resilience, and thriving in challenging entrepreneurial environments. Despite the imperfect setup, data consistently shows that female entrepreneurs generate higher returns on investment, making them a wise choice for investors seeking diversity in their portfolios.

At Stellar Women, we believe every woman brings a unique purpose deserving recognition and support. Therefore, we're proud to share our collaboration with Boston Consulting Group to delve into the challenges faced by female entrepreneurs in Indonesia. This joint effort reflects our shared commitment to empowering women and creating an environment where their endeavors can flourish.

Through this study, we engage with female entrepreneurs across different sectors to uncover the challenges hindering their progress. We aim to explore barriers because we believe helping female entrepreneurs succeed will foster the prosperity of our nation. Beyond gender-based challenges, it's essential to recognize the importance of establishing a robust support system for female entrepreneurs. Having interacted with thousands of female entrepreneurs through the Stellar Women community, I've concluded that supporting them requires a collaborative effort from both the private and public sectors.

This white paper aims to show how this collaboration can create an environment conducive to female economic participation. I extend my gratitude to everyone who contributed to this endeavor, and I am hopeful that the insights and recommendations shared here will inspire positive changes.

Warm regards,
Samira Shihab (Co-Founder Stellar Women)

FROM DREAM TO REALITY: EMPOWERING INDONESIAN WOMEN ENTREPRENEURS FOR A STRONGER SOCIETY

SOUTHEAST ASIA'S DYNAMIC ENTREPRENEURSHIP LANDSCAPE IS undergoing a transformation as women entrepreneurs, inspired by evolving trends, take the lead in driving businesses and trade across the region. Indonesia, Southeast Asia's largest economy, presents significant opportunities for women entrepreneurs to thrive. This report underscores the indispensable role of women's empowerment and gender equality in advancing democracy within the dimension of business and women entrepreneurship, while also upholding human rights. The pursuit of stable, prosperous, and inclusive societies necessitates the full realization of women's fundamental rights and active participation in leadership and decision-making roles.

This report delves into the challenges faced by women entrepreneurs in Indonesia and identifies the measures essential for them to harness their potential, capture opportunities, and exercise their choices. It analyzes the prospective impact on the global and Indonesian economies stemming from empowered women entrepreneurs and the attainment of gender parity, while highlighting the need for robust, internationally comparable data and methodologically sound measures.

To capture the reality of women-owned micro, small, and medium enterprises (MSMEs), we draw from on-ground data obtained by conducting multiple interviews and distributing surveys to more than 500 women entrepreneurs representing diverse backgrounds from various regions across Indonesia. These insights will reveal distinctive challenges and opportunities, examine current trends, emerging technologies, and their future implications. This report underscores the pivotal role industry players, both established and emerging, can play in bridging the gender disparities that obstruct women entrepreneurs from realizing their full potential. Our primary focus remains on women's empowerment, their choices, and their ability to seize opportunities.

This report is a collaborative effort by Boston Consulting Group (BCG) and Stellar Women, a community platform dedicated to supporting and connecting empowered women in Indonesia. Through programs, mentorship, online courses, and forums, Stellar Women has empowered over 20,000 women, fostering success and personal growth. This partnership underscores our commitment to advancing the cause of women's empowerment and gender equality at workplaces.



Chapter 1 | Unveiling the landscape of women-owned SMEs in Indonesia

Small and medium enterprises (SMEs) are the lifeblood of the global economy, constituting nearly 90% of all businesses and employing approximately half of the global workforce.¹ Within this expansive landscape, "Women in SMEs" signifies a powerful and transformative concept.

As Southeast Asia's largest economy, and the world's fourth most populous country with 275 million people, Indonesia is home to a rising number of self-entrepreneurs. With more than 65 million MSME entities in Indonesia, this sector contributes to 60% of the national gross domestic product (GDP), equal to IDR9.6 trillion.² Within this dynamic landscape, women-owned MSMEs constitute a substantial segment of the business landscape, amounting to 64.5% of total MSMEs.³ This figure is notably high compared with global data, where only one in three MSMEs are owned by women.⁴ In developing and lower-income countries where wage workers are not the norm, entrepreneurship becomes an important medium for financial empowerment.

To capture the realities of these women-owned MSMEs, we surveyed over 500 women entrepreneurs in the country.

The Face of Women-Owned MSMEs in Indonesia

Our survey demographic consists mostly of 25-49 year-old women with an average age of 34. Notably, 83% of these women entrepreneurs' business operations are predominantly centralized in the more prominent provinces of Java, including the Special Capital Region (DKI) of Jakarta and West Java. This concentration aligns with Java Island's status as the economic hub, contributing a substantial 56% to the country's GDP. Addressing the need for more equitable women-owned and managed enterprises (WSMEs) across Indonesia requires special attention.

These women entrepreneurs embarked on their business journeys at a relatively young age of 30, with a significant portion being single or married with no children at the point when they started their business. This status arguably imposes fewer family-related burdens that might favor business development during the initial stages. Conversely, the challenges may intensify with age and increasing family responsibilities.



1. World Bank, 2019, Small and Medium Enterprises (SMEs) Finance, 2. Ministry of Cooperatives and SME, 2023, 3. Badan Pusat Statistik Indonesia, 2021, 4. World Bank, 2020

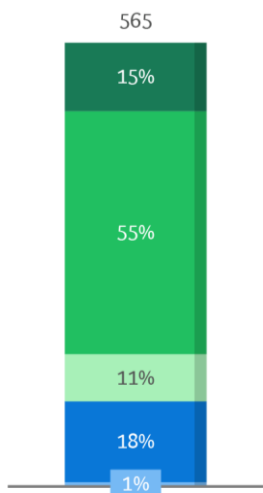
When it comes to their education, 70% of the surveyed women entrepreneurs have achieved a bachelor's degree or higher, reflecting a robust educational background. Furthermore, 82% of respondents boast more than three years of entrepreneurial experience.

Despite their educational achievements, only 24% of women entrepreneurs found success with their businesses on their first attempt. This statistic emphasizes the role of experience in driving business success, indicating that education alone may not suffice. [Exhibit 1.]

Exhibit 1 - Background | With a robust education status & experience profile, only 24% women entrepreneurs surveyed are successful in business after first attempt

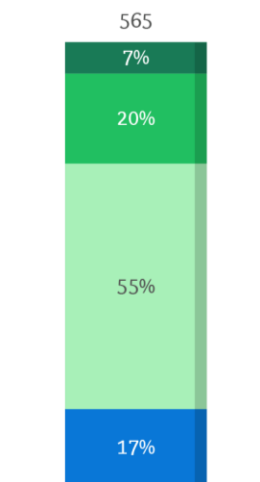
70% have attained bachelor's degree or higher

Share of education status (%)



Share of years of experience as an entrepreneur (%)

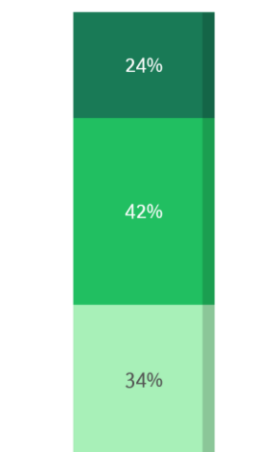
Share of years of experience as entrepreneur (%)



However, only 24% of women were successful with their business on their first attempt

Share of number of attempts at starting their business before succeeding (%)

n = 565



- Masters/Doctoral (S2-S3)
- Bachelor (S1)
- Diploma (D1-D3)
- Senior high/equivalent
- Junior high & below

- More than 10 years
- 5-10 years
- 3-5 years
- <2 years

- 0 - succeed in first biz
- 1-2 times
- > 2 times

Sources: Stellar Women x BCG Survey, BCG analysis

Our survey illustrates that the women entrepreneurs surveyed are almost equally divided between those who were previously employed and those who were not part of the workforce. Strikingly, the difference in motivation between these two groups is minimal, with earning an income and channeling their passion the two leading motivators across both groups.

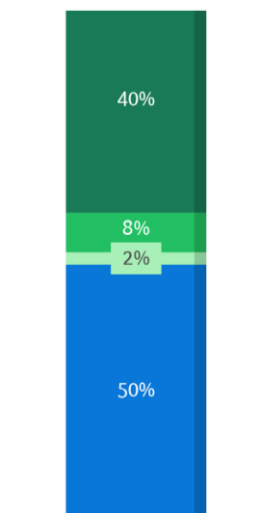
This insight suggests that, regardless of their employment status prior to entrepreneurship, women in Indonesia share common aspirations and motivations when it comes to starting their businesses. [Exhibit 2.]

Exhibit 2 - Motivation | Employment status prior to starting business are equally split between employed vs. unemployed; no difference in motivation among these two

Equal share of employed vs. unemployed women prior to becoming an entrepreneur

Share of women entrepreneurs' employment status before starting a business (%)

n = 565

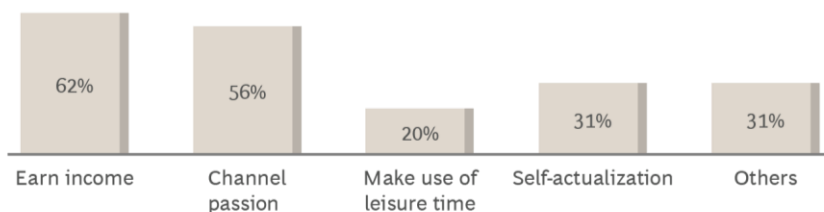


- Full-time employee
- Part-time employee
- Retirees
- Unemployed

However, there is minimal difference in motivation for starting their business between those who are employed vs. unemployed

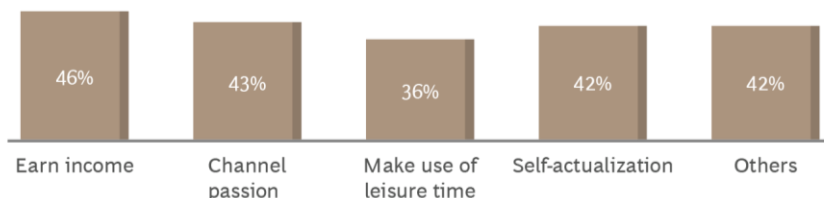
Reasons for starting a business for those employed prior to starting (%)

n = 270



Reasons for starting a business for those unemployed prior to starting (%)

n = 295



Sources: Stellar Women x BCG Survey, BCG analysis



Deeper Look into the Business

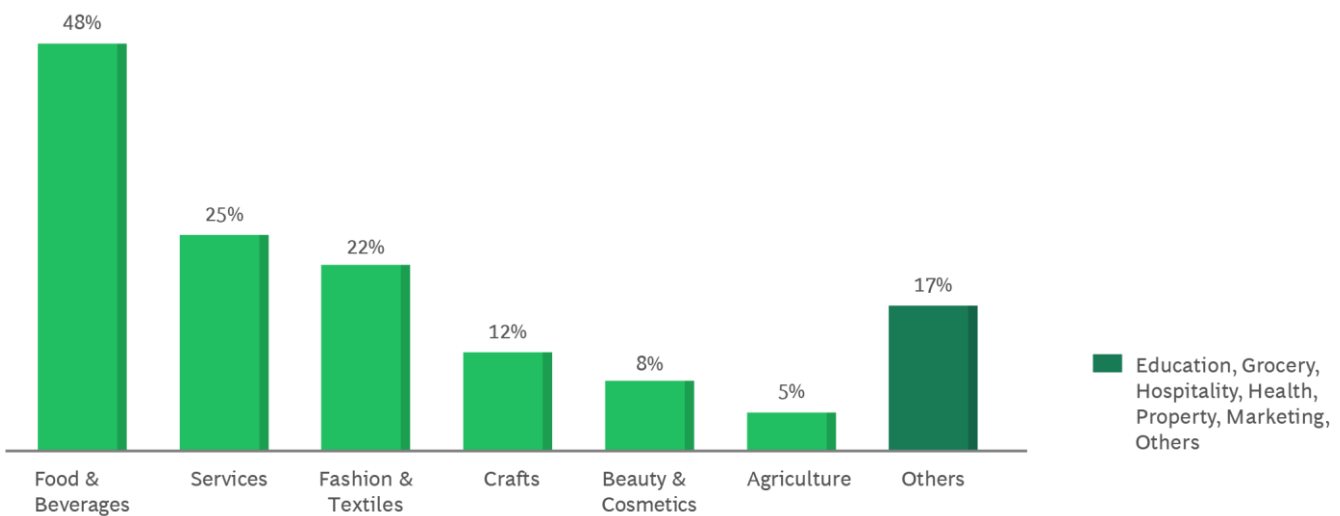
The survey highlights the food and beverage (F&B) sector as the most widely operated business type among women entrepreneurs, constituting 48% of the sample.

Women entrepreneurs appear to gravitate toward industries they feel comfortable managing end-to-end, emphasizing the role of reliable business models in their endeavors. [Exhibit 3.]

Exhibit 3 - Demographic | Women entrepreneurs surveyed are in the average age of 32, running mostly F&B business centralized in bigger provinces of Java

F&B highlighted as the most widely run industry by WSMEs (48%)

Share of industry type run by women entrepreneurs (%)



Sources: Stellar Women x BCG Survey, BCG analysis

The majority of surveyed women entrepreneurs (55%) generate less than IDR10 million in monthly revenue from their primary businesses. Notably, most respondents have only one business in operation. This relatively small business scale is not surprising given approximately 85% of women surveyed fund their businesses through personal savings.

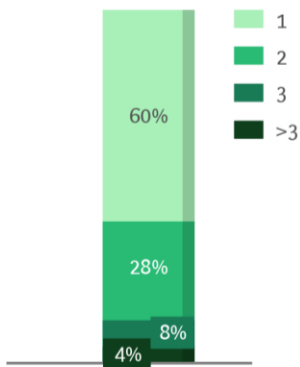
This raises pertinent questions regarding the influence of challenges related to obtaining external funding on the development of WSMEs, which we will further explore in Chapter 2. [Exhibit 4.]

Exhibit 4 - Business profile | With majority have less than IDR 10Mn rev and only run one business, most women entrepreneurs support fund through their own savings

Most women surveyed (60%) only run one business

Share of businesses led by women entrepreneurs (%)

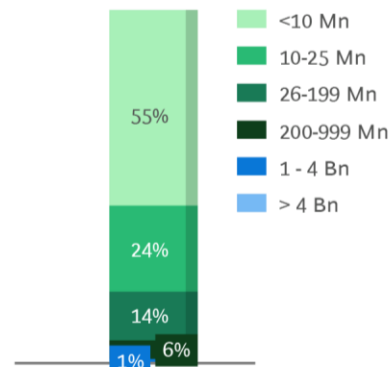
n = 565



55% earn less than IDR 10Mn revenue per month per business

Share of WSMEs business size (%)

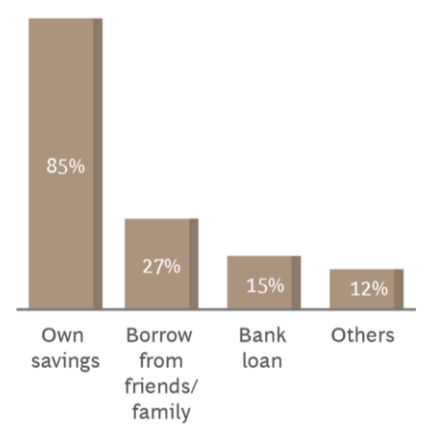
n = 565



Majority use own savings as a source of funding

Share of WSMEs' source of funding (%)

n = 565



Sources: Stellar Women x BCG Survey, BCG analysis



In line with the relatively small scale of the business, a substantial majority (75%) of these WSMEs operate with a compact workforce, typically composed of zero to four individuals.

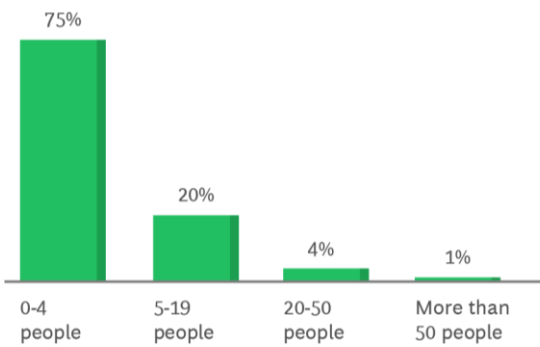
A notable observation is that 55% of women-led MSMEs employ a greater number of women than men on their staff. This trend creates a virtuous cycle, further empowering women in employment. [Exhibit 5.]

Exhibit 5 - Despite smaller size of employees, women entrepreneurs employ more women than men in their business, creating a virtuous cycle in women employment

Most women-led SMEs have a smaller size of employees - 75% consist of 0-4 people

Share of total employees of WSMEs (%)

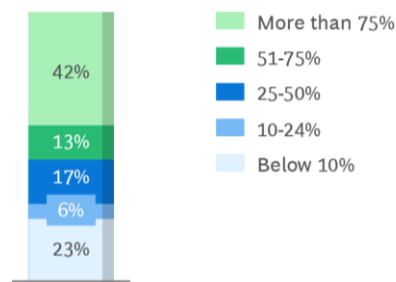
n = 565



A majority (55%) of WSMEs surveyed employ more women than men in their business

Share of women employees across WSMEs (%)

n = 565



Sources: Stellar Women x BCG Survey, BCG analysis



Chapter 2 | Unraveling the unique challenges that impact women-owned MSMEs

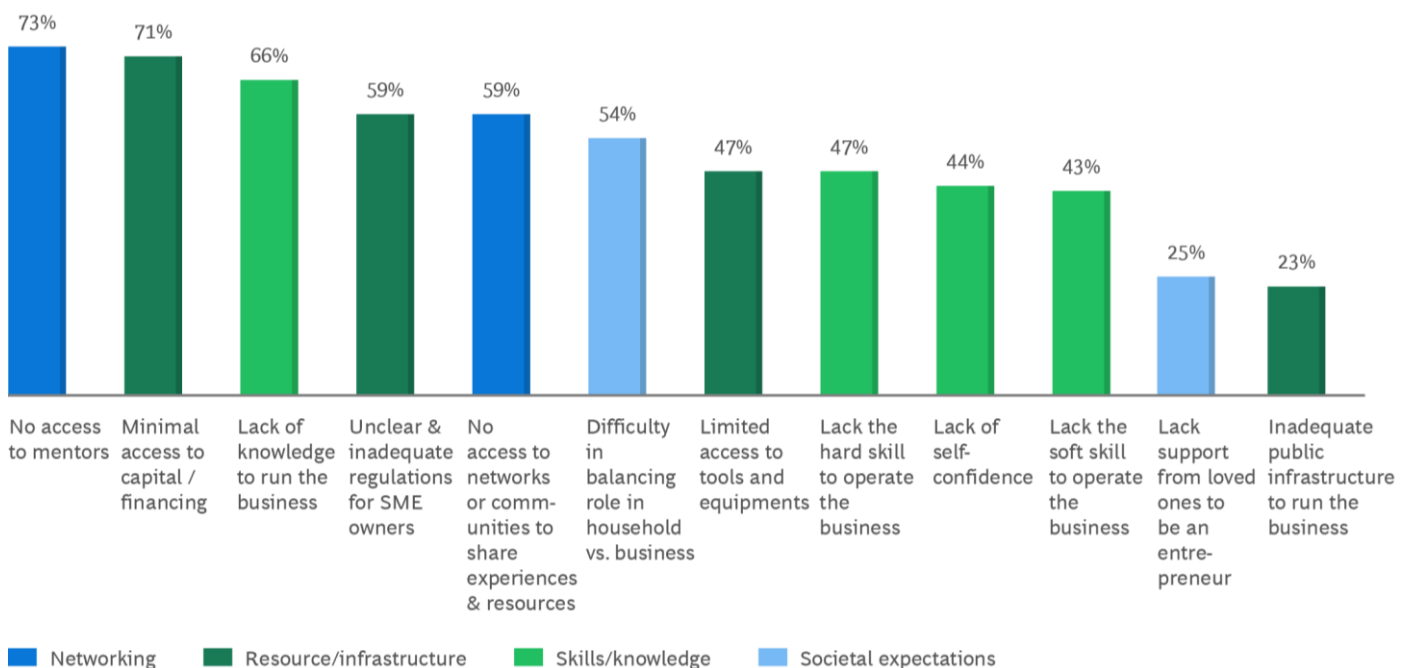
Although women-owned MSMEs account for a significant majority (64.5%) of businesses in Indonesia, they face multifaceted challenges that can hinder their active participation in business ownership. These challenges encompass various aspects, including resource acquisition and bridging digital literacy gaps. However, there are deeper, systemic issues, such as societal expectations and biases, that also need to be addressed across the socio-economic spectrum to create a truly inclusive business environment.

Our survey has identified 13 distinct challenges that women entrepreneurs face. These 13 major challenges faced by WSMEs can be broadly categorized into four core themes—networking, finance and infrastructure challenges, skills and knowledge, and societal or domestic expectations, as seen in the exhibit below. [Exhibit 6.]

Exhibit 6 - Challenges | No access to mentors and minimal access to financing are cited as top 2 challenges for women entrepreneurs

Share of women who experience the following challenges in business (%)

n = 565



Sources: Stellar Women x BCG Survey, BCG analysis

2.1 Networking

Access to mentors and support communities. In a G20 survey of nine companies across the globe, mentoring and networking are considered the top two best practices to advance women to leadership positions.⁵ In such a structured environment where colleagues and business connections are relatively more accessible, providing access to mentors and networks is still a priority for these companies. The need to provide access to connections is more pressing in the women-led MSME landscape as these entrepreneurs lack a formal platform with which they can connect with fellow women entrepreneurs. According to APEC Networks, 34% of women do not interact with business associations, compared to 26% of men.

This reality is reflected in our survey. More than half of the WSMEs surveyed highlighted the difficulty in accessing mentors and support communities for sharing experiences and resources. This challenge is particularly pronounced for women based outside of Jakarta, as most support networks and communities are centralized in the capital. The value of having mentors, coaches, and advisors is undeniable, providing invaluable perspectives and guidance. [Exhibit 7.]

Laras Anggraini, founder of Smitten by Pattern, shared, "Maybe if I were a man, when there were certain challenges, I could've easily found mentors and other support to get back on my feet. But as a mother and wife, it seems harder to get that kind of support. The emotional support needs to be doubled. We must have a support system that is very, very strong to be able to push us back on the right track."

Some WSME owners have recognized this importance and taken on mentoring roles themselves, creating support communities to help emerging women entrepreneurs. Cacam Samsiah, founder of Cassaplast Bioplastic, highlighted her proactive approach, saying, "I take a lot of classes such as communication skills, digital business, (and) any kind of class I will participate in. I am trying to upgrade myself while joining the community. The more you associate with people who have the same businesses and challenges, (the more) it can increase your confidence and courage to move forward."

Exhibit 7 - Network | Limited access to mentors are cited as the top network-related challenge for women, and top amongst all other challenges (finance, skill, etc.)

73% of women agree that access to mentorship presents a significant challenge to their business, followed by access to networks or communities

Share of women agreeing that the following are challenges faced in their business (%)

n = 565



Sources: Stellar Women x BCG Survey, BCG analysis

5. G20 Empower Playbook, 2022

2.2 Financing and Infrastructure

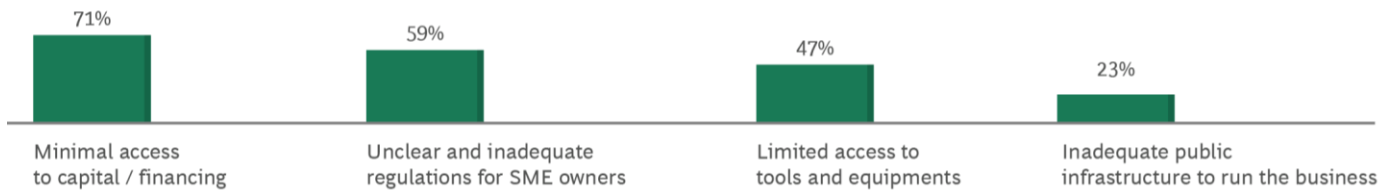
Access to financing. A significant challenge for WSME owners is securing resources, particularly financing, and navigating unclear regulations. This is not only true for women entrepreneurs in our survey, but globally as well.

Global estimates suggest that 72% of men own an account at a financial institution or with a mobile money service provider compared to 65% of women, leading to an estimated USD1.5 trillion in financing deficits faced by women. [Exhibit 8.]

Exhibit 8 - Resource / Infrastructure | Access to financing and unclear regulations are top 2 challenges for WSME owners

Minimal access to capital and unclear regulations are cited as the top two challenges related to resource/infrastructure by more than 50% of women

Share of women who experience the following challenges in business (%)



Sources: Stellar Women x BCG Survey, BCG analysis



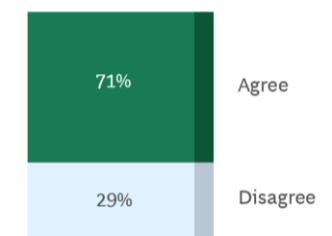
In our sample, obtaining financial support is a challenge highlighted by more than 70% of women. Hence, a majority of these females resort to conventional sources like personal savings to finance their businesses, as seen from the exhibit below. Only a small percentage explores innovative avenues such as business competitions to secure additional funding through cash prizes or grants.

However, obtaining more sophisticated funding sources like venture capital (VC) remains challenging, primarily due to a lack of familiarity and concerns about the growth expectations set by investors. [Exhibit 9.]

Exhibit 9 - Resource/Infrastructure | 71% WSME owners surveyed has experienced capital or financing-related challenges in their business, most are using their own savings

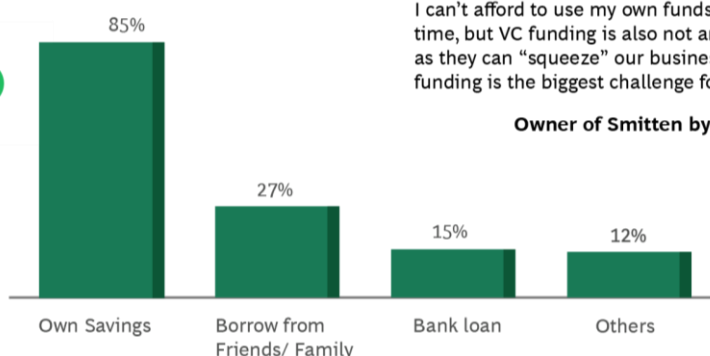
71% have experienced difficulty in obtaining capital for their business

I have experienced challenges related to getting finances for my business (%)
n = 565



Overall, bootstrapping is the most popular way of funding for WSME owners

Share of WSMEs' source of funding (%)
n = 565



I can't afford to use my own funds all the time, but VC funding is also not an option as they can "squeeze" our business... funding is the biggest challenge for me

Owner of Smitten by Pattern

Sources: Stellar Women x BCG Survey, BCG analysis

An example of this challenge is evident in the experiences of women entrepreneurs Nicole Jizhar and Shayla. Despite the interest of numerous venture capitalists (VCs) and investors in funding their business, both have declined such offers, as they are content with the growth of their business through more conventional funding options.

Nicole Jizhar, founder of Nona Women, shared her perspective on the matter. "I said to my co-founders that we need to get funding as well because I cannot afford to use my own funds constantly. But my co-founder who handles our finances, said that there would be a lot of disadvantages if a venture capitalist injected the money into our business right now, (as) they could squeeze our business. However, that is unavoidable as a startup, you need that help. We have gone back-and-forth on this issue. Particularly, our competitors have external resources. If we do not do something, they could easily eat us. I think funding is the biggest challenge."

Regulatory hurdles. Interviewees reported various legal challenges, such as hurdles related to intellectual property (IP) applications and company registration. The COVID-19 pandemic exacerbated these issues as these processes often require in-person attendance, causing delays of 6-12 months for crucial milestones like product launches.

The administrative demands associated with these regulatory matters, especially for business owners who also manage household responsibilities, prove to be time-consuming and hinder a focus on more strategic business matters.

Nicole Jizhar emphasized the regulatory challenges and remarked, "For regulation, my business has access to external parties that could help us. But I think for other small businesses who don't have that much of resources. There's no way they can sustain with all of these regulation issues."

Human resource (HR) constraints. A common challenge for women entrepreneurs is finding qualified team members. Interviewees acknowledged the difficulty in sourcing qualified HR, particularly outside of major cities, along with a significant skills gap between talents in metropolitan areas and those in rural regions. This challenge is more pronounced for businesses that are not technology-enabled, hindering their scaling potential.

2.3 Skills

Essential knowledge and skill sets. Possessing the requisite knowledge and skills is pivotal for women embarking on their entrepreneurial journeys. However, most women feel they lack the skills required to manage a business effectively. In the Organisation for Economic Co-operation and Development (OECD) countries, women are 35% less likely than men to report having the skills and knowledge to start a business.⁶ In a similar vein, women generally report having lower confidence than men when it comes to entrepreneurship.⁷ This highlights the possibility of actual skill gaps on top of perceived skill gaps that could contribute to an under-reporting of women’s actual skills.

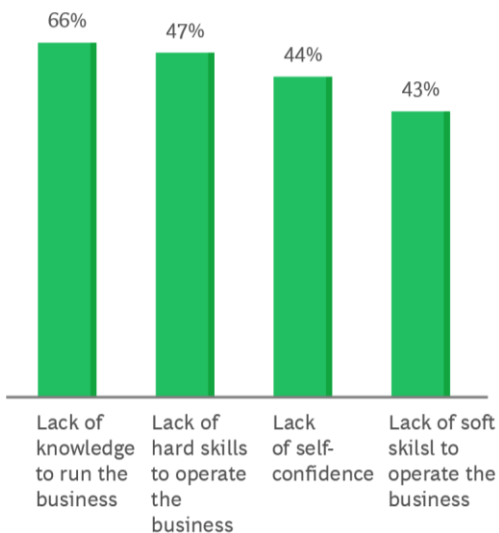
Our survey echoes these global findings. Almost 70% of women in our survey believe they lack the knowledge required to run a business. When considering these challenges relative to their previous work experiences, it becomes evident that a smaller percentage of those with full-time or part-time work backgrounds face such issues. This is often attributed to the transferable skills acquired in their previous roles, encompassing financial acumen, marketing expertise, leadership, and management. [Exhibit 10.]

Exhibit 10 - Skills | 40-70% of women have experienced challenges related to perceive skills in running business; higher percentage from those unemployed prior to starting

66% of women believe they lack the knowledge needed to run a business

Share of women agreeing that the following are challenges faced in their business (%)

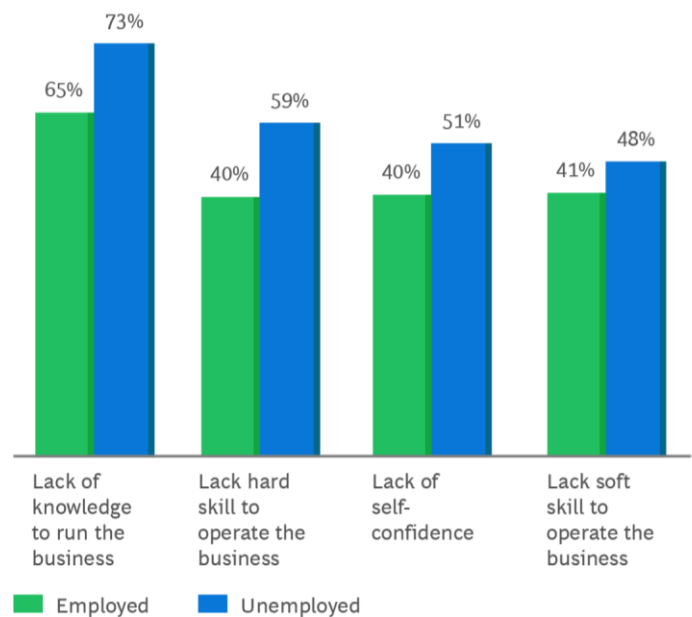
n = 565



Based on previous experiences, a higher percentage of those who are unemployed report facing skills-related challenges

Comparison of the percentage of women who agree on facing challenges in their business, based on employment status (%)

n = 565



Sources: Stellar Women x BCG Survey, BCG analysis

6. OECD, 2020, [How can women have the right skills to successfully start a business?](#)

7. Global Entrepreneurship Monitor, 2018/2019, Women Entrepreneurship Report

Our interviews with women entrepreneurs reveal their enthusiasm for upskilling to enhance their business acumen. Nevertheless, they note the scarcity of programs tailored to address the specific needs of female entrepreneurs. Most available programs offer theoretical concepts but do not delve into the personal challenges that most female entrepreneurs encounter.

Cacam Samsiah articulates this challenge: "When females are able to prove their success, this assumption will recede itself. This case won't happen to a man, people would already believe in a man's capability in doing business even when he barely talks about the planning. Women often don't get heard if they haven't shown their results. For me, this is a very real experience so it's becoming a challenge for myself to prove with success."

Digital proficiency and platform utilization.

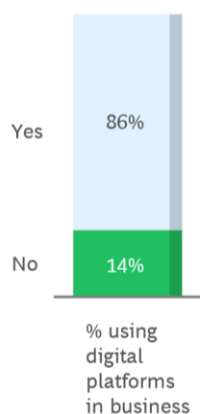
Indonesia's tech-savvy population, with an internet penetration of 77% and a social media penetration of 60.4%, is reflected in our survey results. A remarkable 86% of WSMs are already harnessing digital platforms to bolster their business growth. Among the minority not yet utilizing digital platforms, the willingness exists; however, the knowledge gap in selecting the right platform and operating it proves to be a hurdle. Among those 86% already leveraging digital tools, social media and e-commerce platforms are the prevailing choices with 96% and 67% of women respectively using these platforms in their business. [Exhibit 11.]

Exhibit 11 - Skills - Technology | 14% of women entrepreneurs surveyed has not used a digital platform for their business due to lack in know-how

14% of women entrepreneurs surveyed has not used a digital platform for their business...

Share of women using digital platforms (%)

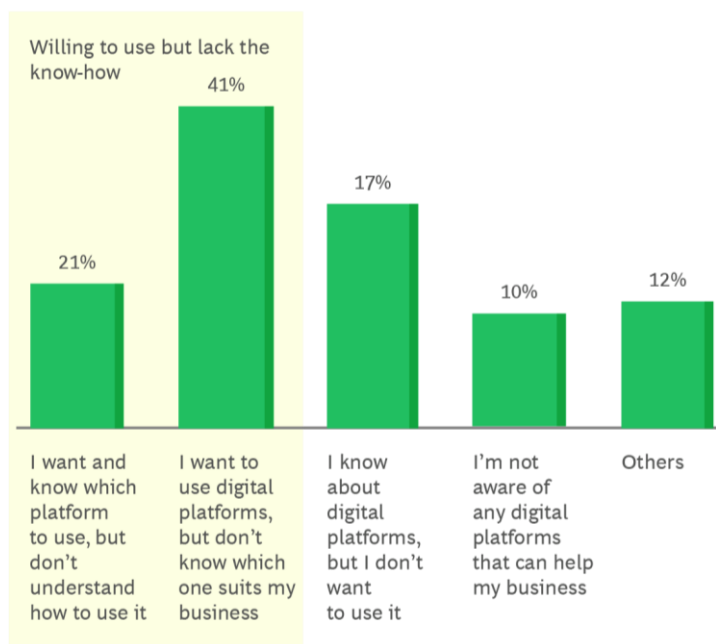
n = 565



Out of those not yet using a digital platform, over 60% are willing to use one, however they lack the know-how to select and operate a digital platform

Share of women selecting reasons for not using digital platforms (%)

n = 78



Sources: Stellar Women x BCG Survey, BCG analysis

2.4 Family

Unique social and cultural expectations. Women in leadership roles confront distinct social and cultural expectations compared to their male counterparts, creating additional challenges unique to women. These expectations require women to strike a delicate balance between authority and amiability, advocacy for themselves while caring for others, and being assertive yet empathetic.

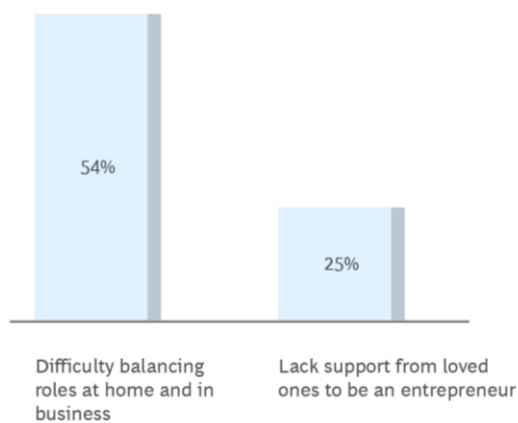
The evolving landscape has witnessed positive changes in terms of opportunities and representations of women in business, but certain challenges persist, particularly for entrepreneurs. Globally, women report family responsibilities as the reason to exit their business, about 43% more often than men. [Exhibit 12.]

Exhibit 12 - Societal expectations | Difficulty in balancing role in household vs. business highlighted as top societal expectations-related challenges

54% of women experienced difficulties in balancing their household and business roles

Share of women agreeing that the following are challenges faced in their business (%)

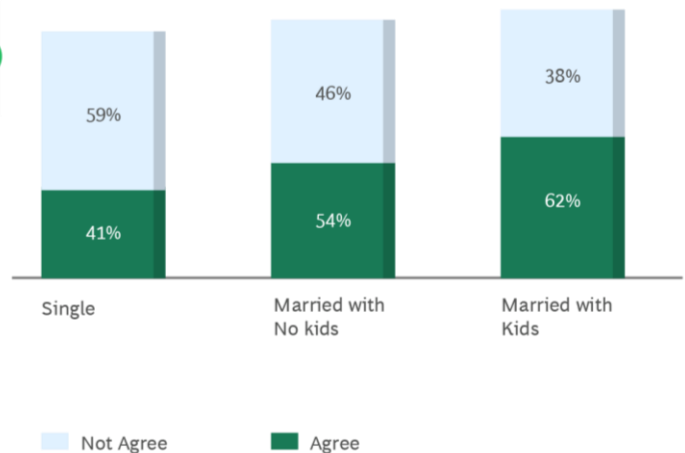
n = 565



Married women with kids tend to agree that balancing their household and business roles is a challenge

Share of women who agree that balancing household and business roles is a challenge, based on marital status

n = 78



Sources: Stellar Women x BCG Survey, BCG analysis

In our survey, more than half of the women mentioned the difficulty in balancing domestic and entrepreneurial roles. It is particularly noticeable that those who are married face greater hurdles in balancing these roles. Our interviewees underscore the prevailing expectations that they continue to fulfill their roles as mothers, wives, and business leaders. While partners often provide verbal, moral, or even financial support at the inception of their businesses, many overlook the significance of equitable sharing of household responsibilities—a form of support crucial to these women. The challenges intensify for those with preschool-age children, a factor reflected in our survey data that reveals most women initiate their businesses when they are yet to have children.

Laras Anggraini highlights this predicament, stating, "Female entrepreneurs not only face business challenges but also the challenges of changing roles, responsibilities, and changes that occur in the family. Not to mention the multiple roles that need to be carried out. So, the biggest challenge as a female entrepreneur is how to manage time, thoughts, and emotions. Then, how to make decisions efficiently to maintain a balance between our roles at home and at work."

The challenges faced by women around networking, financing, skills, and societal expectations present a significant opportunity for governments and private sectors alike to pave the way for women to succeed in MSMEs. Efforts to support women entrepreneurs will in turn significantly drive national economic prosperity, as we will see in the next chapter.

Chapter 3 | Magnitude of Women MSMEs in Indonesia and the Benefits of Supporting Them

Empowering women entrepreneurs in Indonesia is not just a matter of gender equality but a pivotal strategy for economic growth and innovation. The MSME sector contributes 61% to the GDP, equivalent to IDR9,580 trillion. Furthermore, MSMEs' contribution to employment absorption reaches as much as 97% of the total workforce.

According to data from the Ministry of Cooperatives and SMEs, Indonesia has 65.5 million MSMEs, which account for 99% of all business units. With 64.5% of total MSMEs being owned or managed by women, this demographic represents a substantial portion of the entrepreneurial landscape in the country. Hence, the fact that there are 37 million MSMEs in Indonesia owned or managed by women underscores the critical role women play in the country's economy.

Supporting women-led MSMEs in Indonesia offers numerous indirect benefits that significantly contribute to the broader economy and society. These benefits not only foster economic growth, but also enhance social welfare and community development by promoting economic diversification, increasing innovation and competitiveness, and providing employment opportunities, amongst others.



Chapter 4 | Legacy and emerging enablers are critical for women entrepreneurs' success

This chapter explores the essential elements required to empower and support women entrepreneurs in their journey towards success. Recognizing the multifaceted challenges they face, it is imperative that comprehensive support mechanisms are put in place to facilitate their growth and prosperity. Government intervention, the private sector, and self-support all play a pivotal role in fostering an environment conducive to the success of WSMEs.

4.1 Government Intervention

Government interventions are crucial for supporting women-owned SMEs. They address unique challenges such as access to financing and market opportunities, while balancing business and family duties. Such measures level the entrepreneurial field, enabling women to innovate and contribute significantly to economic growth, fostering a diverse and inclusive business landscape. Some examples include:

Providing financial support for women in SMEs.

Financial support is a cornerstone of women's economic empowerment. Government funds, including loans and collateral, are indispensable in stimulating the growth of WSMEs. Various financial support programs aimed at women entrepreneurs have been implemented by countries around the world. Examples include:

- The Canadian government's Women Entrepreneurship Strategy (WES) program,⁸ representing nearly \$7 billion in investments and commitments, provides loans of up to \$150,000 to women business owners and entrepreneurs. This support aids in starting, scaling up, and accessing new markets, including access to the WES Inclusive Women Venture Capital Initiative. The program contributed to the growth of 16% WSMEs in 2017, and 18% of WSMEs in 2023 (+2%).⁹ In 2022 alone, over 30,000 WSMEs accessed the program, and 11 WSMEs secured VC deals.¹⁰
- The Indonesian government's proactive approach through Kredit Usaha Rakyat (KUR), which includes special provisions for women through INKOWAPI (Induk Koperasi Wanita Pengusaha Indonesia).¹¹

INKOWAPI provides low-interest loans to MSMEs, with a particular focus on women-owned enterprises. This financial assistance plays a pivotal role in facilitating the expansion and development of women-led businesses, contributing to the overall economic growth. Despite INKOWAPI's expansion to 128 branches, significant regions like Aceh and Maluku (to name a few) remain underserved, highlighting the need for further network development and a shift towards digitalization to enhance nationwide accessibility.¹²

Establishing a clear and consistent definition of women in SMEs is a necessary foundational step towards effective support. This involves defining women entrepreneurs, classifying MSMEs, and implementing a transparent method for distinguishing between male- and female-driven businesses. Gender-specific reporting for key national metrics is crucial. Across the globe, several countries have initiated efforts to establish comprehensive frameworks to support women entrepreneurs. Examples include:

- Canada's implementation of a forward-thinking Gender-Based Analysis Plus (GBA+)¹³—a government-mandated approach in the development of policies and programs. This approach enables the formulation of a transparent method for distinguishing between male- and female-driven businesses. GBA+ ensures gender-based disparities are not only identified but actively addressed in the pursuit of gender equality and inclusivity. GBA+ also informs policy-making processes by ensuring that the specific needs of women, and particularly diverse women, are considered. It also emphasizes the importance of collecting and analyzing disaggregated data to understand the different realities faced by entrepreneurs, which helps in identifying gaps in support and resources available for women in SMEs.
- Indonesia, through the WeFi Code, has implemented Data Terpilah Jenis Kelamin (DTJK), an initiative that enhances financial inclusivity for women's SMEs by systematically collecting and managing gender-based financial data. This initiative aligns with national development plans and aims to boost women's participation in the economy. However, it currently lacks a specific mandate for women's SME data management within existing regulations.¹⁴

8. Government of Canada, 2022, [Gender-based Analysis Plus \(GBA Plus\) - Women and Gender Equality Canada](#)

9. UNDP, 2022, [Laporan Analisis Upaya Peningkatan Akses Perempuan Terhadap Layanan Keuangan Formal](#)

10. Government of Canada, 2022, [Women Entrepreneurship Strategy: Progress Report 2022](#)

11. Women Entrepreneurship Knowledge Hub, 2023, [The state of women's entrepreneurship in Canada 2023](#).

12. Government of Canada, 2022, [Women Entrepreneurship Strategy: Progress Report 2022](#)

13. Strategi Nasional Keuangan Inklusif, 2023, [Laporan Pelaksanaan SNKI](#)

14. The World Bank, 2022, [The Indonesia Women in SMEs dashboard](#)

Developing support programs with defined objectives and guidelines. Government-led support programs with clear objectives and guidelines are instrumental in empowering women entrepreneurs. These programs should include training, workshops, and mentoring tailored to the specific needs of WSMEs and aligned with government objectives. For instance:

- The International Trade Center (ITC) spearheads a global initiative that extends training and capacity-building programs to women-owned businesses across multiple countries. A pivotal component of this initiative is the SheTrades program, which aims to connect three million women entrepreneurs to international markets by 2021. SheTrades continues to achieve this by providing comprehensive training, support, and resources aimed at enhancing the competitiveness and export readiness of businesses led by women. It includes training and workshops, as well as an online learning platform.
- Support from the Indonesian government also includes the Program Pemberdayaan Usaha Perempuan (PPUP), implemented by the Ministry of Women's Empowerment and Child Protection. PPUP provides a range of critical resources, including training, mentoring, access to capital, and market linkages. Also, The One Village, One Product (OVOP) initiative by the government stands as a catalyst for rural entrepreneurship, with a specific focus on women's participation. This program champions the development of unique local products and offers robust support for marketing, training, and overall business development.

Enacting policies to incentivize private sector support for WSMEs. Globally, governments have implemented policies aimed at incentivizing private sector organizations to actively support WSMEs. These policies not only acknowledge the immense potential within women-led enterprises but also seek to create a business ecosystem that recognizes, uplifts, and nurtures WSMEs. Initiatives include:

- The Indonesian government's passing of a law through Instruction of President of the Republic of Indonesia Number 2 of 2022, which requires the public sector to allocate 40% of its procurement budget to SMEs' products and services. This policy is expected to benefit women-owned SMEs, especially those impacted by COVID-19, as part of a broader strategy to enhance women's economic participation and business success.
- The Indian government's Mahila Udyam Nidhi Scheme, which provides financial assistance to women entrepreneurs. The scheme encourages private investment by demonstrating the viability and potential of women-led businesses.

Monitoring and reporting progress. While enacting policies and initiatives is a crucial step, the effectiveness of these measures depends on the consistent monitoring and reporting of progress. Tracking advancements in the WSME landscape ensures that government efforts translate into tangible outcomes. Regular monitoring enables adjustments, improvements, and targeted interventions to further empower women entrepreneurs. By reporting progress, governments maintain transparency and accountability in their endeavors to support WSMEs. For instance:

- In May 2023, Indonesia, in collaboration with G20 Empower and the World Bank, launched the Indonesia Gender Dashboard 2 on Women in SMEs. This online dashboard provides a comprehensive overview of the status, progress, and challenges faced by women in the SME sector, drawing on World Bank reports and other publications focused on gender in the private sector. The Gender Dashboard aims to be a vital tool for the formulation of women's economic empowerment policies, particularly for women MSME actors, based on solid data and evidence. The dashboard features key statistics such as the number of women-owned SMEs, their contribution to the economy, sectors with high female entrepreneurship, and regional distribution. The recent launch of Indonesia's Gender Dashboard serves as a significant step towards improved gender-based analysis and decision-making, showcasing the country's acknowledgement of the specific challenges faced by women in MSMEs.

4.2 Private Sector Role

The private sector's role in nurturing WSMEs is exemplified through dedicated programs that provide women entrepreneurs with holistic support, ranging from education and mentorship to access to capital and networking opportunities. There are important lessons to be learned from noteworthy initiatives around the world.

- **Goldman Sachs 10,000 Women:** This global initiative equips women entrepreneurs with education in business and management, enhancing their skills in leadership, negotiations, marketing, sales, and more. In partnership with universities and business schools, Goldman Sachs offers free online courses and practical business education programs, making valuable knowledge accessible. While not a direct funding provider, this initiative connects women entrepreneurs to potential sources of capital through collaborations with financial institutions and investors. It also supports the Women Entrepreneurs Opportunity Facility (WEOF), dedicated to women entrepreneurs and women-led SMEs in emerging markets. Graduates of the program become part of an alumni community, providing resources, events, and training programs. Since its inception in 2008, Goldman Sachs has reached over 200,000 women across 150 countries.
- **Cartier's Women's Initiative:** This program offers global visibility and grant funding to impactful women entrepreneurs. It conducts an annual international business plan competition, identifying, supporting, and encouraging women entrepreneurs who make a social and economic impact. It also provides financial support, mentoring, and networking opportunities. Fellows receive training and coaching, including participation in programs like the INSEAD Women Impact Entrepreneurship Program. This executive leadership program deepens knowledge on managing, scaling, financing, and measuring impact.
- **Tory Burch Foundation:** A select cohort of 50 fellows within the United States benefits from access to capital funding, digital education, and connections within a community of female founders through networking events. This yearlong program accelerates early-stage companies, offering workshops, coaching sessions, peer networking, a business education grant, and access to capital.
- **Bank Rakyat Indonesia (BRI) PNM Mekaar:** BRI, one of the largest state-owned banks in Indonesia, with Permodalan Nasional Madani (PNM) has launched a program specifically aimed at supporting women micro-entrepreneurs to develop and expand their businesses. PNM Mekaar offers financial services along with training and mentoring to enhance the skills of micro-entrepreneurs, helping them to become more self-reliant and successful in their ventures.
- **The Sinar Mas Women Empowerment Program** is part of the conglomerate's Corporate Social Responsibility (CSR) initiatives, reflecting its commitment to social development and gender equality in Indonesia. As one of the largest conglomerates in Indonesia with operations spanning various sectors such as pulp and paper, agribusiness, real estate, and telecommunications, Sinar Mas leverages its resources and network to support the economic empowerment of women, particularly those in underserved and rural areas. A key aspect of the company's support for women's empowerment is its collaboration with Martha Tilaar Group (MTG). This partnership aims to help empower women in areas surrounding APP Sinar Mas' operations and its wood suppliers. It includes various training programs across Indonesia such as entrepreneurship, herbal plant preservation, and beauty practices, offered through beauty classes.



4.3 Self Support

While external support from the government and the private sector is instrumental for women entrepreneurs' success, the critical role of self-support should not be underestimated.

Taking the leap of faith. Successful women entrepreneurs share a common trait—the courage to take a bold leap of faith. Venturing into the world of entrepreneurship is inherently risky, but it is this risk that often leads to extraordinary rewards. Having the self-belief to embark on an entrepreneurial journey is the foundation of success. While external resources and mentorship can guide the way, it's the internal drive, determination, and self-confidence that set the stage for a flourishing business.

Trusting other people. The road to entrepreneurship can be a lonely one, but it doesn't have to be. Trusting others, whether it's business partners, mentors, or employees, is pivotal. Collaborative relationships are often key to overcoming challenges and achieving growth. Building trust extends to the government, private sector, and the broader community as well. Trusting that these entities are invested in fostering a conducive environment for women entrepreneurs can provide the assurance and support needed to prosper. Many successful entrepreneurs have mentioned that mentorship is a key element of their success, as it allows them to learn from others' mistakes. Organizations like Stellar Women offer mentorship programs for women, including 1-on-1 consultations with their women leaders, who come from a variety of backgrounds, ranging from entrepreneurs to professionals working at BCG.

Networking and building a support system.

Networking is more than just expanding your contact list—it's about cultivating meaningful relationships. Women entrepreneurs can benefit significantly from engaging with fellow entrepreneurs, mentors, industry experts, and organizations, such as Stellar Women and BCG, who offer programs and opportunities from time-to-time. Stellar Women's community offers a supportive and collaborative community of women with scheduled networking events and gatherings. The collective wisdom, advice, and connections that can be derived from a robust support system are invaluable. Being part of a like-minded community provides not only emotional support but also opportunities for knowledge sharing, collaboration, and resource access.

The role of tailored support. Across the globe, there has been a surge in women empowerment networks and initiatives in recent years. However, the effectiveness of these initiatives is dependent on mass communication strategies. Different business stages present unique challenges, and consequently, they require personalized support. Early-stage businesses often benefit from incubation and business training to help them launch and find their product-market fit. In contrast, more mature businesses need personalized support and financial incentives to scale up. Recognizing these distinct requirements and tailoring support accordingly ensures that women entrepreneurs can thrive at every stage of their journey.

Chapter 5 | Crafting the path forward for all women entrepreneurs

Within the dynamic Southeast Asian business landscape, Indonesia has emerged as a central hub of emerging opportunities for women entrepreneurs.

The empowerment of women and the pursuit of gender parity are not just noble goals but essential drivers of societal progress and economic prosperity. This report serves as a guide, illuminating the path forward for industry leaders, policymakers, and women entrepreneurs themselves.

Industry leaders:

- Identify and address WSMEs' key challenges—financial, skill, network, technology—to tailor support programs effectively.
- Enhance collaboration in the WSME ecosystem through shared best practices, mentoring, and funding, while embedding gender perspectives into all aspects of program design, corporate policies, and performance metrics.

Policymakers:

- Continue to drive WSME growth through strategic policy innovation, focusing on capital access, mentorship, equitable opportunities, and cross-sector partnerships. Include support for women in SMEs in policymaking.
- Create programs in collaboration with the private sector to amplify scale and set structured and clear enforceable incentives, objectives, guidelines, and targets.

Women entrepreneurs:

- Trust in collaborative relationships and networking with business partners and mentors is crucial. Organizations like Stellar Women offer mentorship from diverse leaders like BCG.
- Tailored support is key, with early-stage businesses benefiting from incubation, while mature enterprises need personalized advice and financial incentives to scale.
- Take bold leaps of faith into entrepreneurship, driven by self-belief and determination.

This report provides the critical insights and essential elements required to empower and support women entrepreneurs on their journey towards success. Acknowledging the multifaceted challenges they encounter, it becomes increasingly imperative to establish comprehensive support mechanisms that nurture their growth and prosperity. Not only does this impact women entrepreneurs and Indonesia's economy, but it also has a global influence, emphasizing the paramount importance of women in SMEs and the broader agenda of gender equality and empowerment. It is crucial that we act on this opportunity now. Together, businesses and governments can drive economic progress and inclusion by supporting women entrepreneurs.



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