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## Female MSME Practitioners and Digitalization from a Feminist Perspective



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### ABSTRACT

*This study focuses on female MSME practitioners' use of digital technology and what it means to them. The feminist intersectional approach is used to answer how gender, religion, social class, daily activities, and place of residence shape the characteristics of women entrepreneurs. This study is guided by this research question 'How do women interpret the business they are running, and what is the urgency of digitization in running their business?' Participants were female MSME practitioners from Kangean and Paciran sub-districts selected using snowball sampling. Data analysis was carried out interpretively using a feminist standpoint by including the researcher's knowledge as a reference. The feminist intersectional approach helps identify female MSME practitioners' religiosity and life orientation in the two regions in running their businesses. Furthermore, unlike other studies that find digitalization a necessity in business, this study finds that digitalization is*

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*not urgent for women. Religiosity and life orientation formed from the intersection of many factors around them make female MSME practitioners embrace their gender role. They accept and even believe that developing an MSME business is not the main purpose of their life. Even they believe that they need to avoid digital technology due to its negative impact.*

**KEY WORDS:** *intersectionality, digitalization, female MSME practitioners*

## Introduction

In Indonesia, the contribution of MSME to the national economy in 2021 will reach 61%. The number of MSMEs reached 64.2 million, and 99% were at the micro level. Women manage 57% of these micro MSMEs. Female debtors from the People's Business Credit program reached 42%. In particular, the government distributes the Ultra Micro Financing Program (UMI), which has flexible access and administration, although the number is still limited. 95% or more than 6.4 million of the debtors of the UMI program are women. This program is complemented by a mentoring program to improve entrepreneurial skills and knowledge so that these women can develop their businesses (Kementerian Keuangan Republik Indonesia 2022).

Mastery of digital technology among women entrepreneurs is a necessity that not only has an impact on success in their economic and business activities but also as an effort to build gender equality. Digital technology is electronic tools, systems, and resources such as computers, social media, cellular phones, and the Internet used to improve a company's operations in meeting the expectations of its customers (Shamaki, Ibrahim, and Philemon, 2022). Adapting to digital transformation allows women entrepreneurs to broaden the spectrum of their businesses, from small businesses to large, that men have so far dominated (Bennett, 2021).

During the COVID-19 pandemic, women entrepreneurs were the most vulnerable group affected. Research conducted by Vasilić et al. (2020) in Serbia shows that 76 percent of companies managed by women have experienced the negative impact of the pandemic, which has increased their workload at home. On the other hand, this situation creates opportunities for women due to the adjustment of production and services shifting to the home. Product innovation and flexibility, as well as the use of online space and digital technology, are essential in developing a business during a crisis (Lazić, Jovanović, and Lazarević-Moravčević 2021).

In the Indonesian context, MSMEs run by women have difficulty surviving. Nearly 90% of MSMEs managed by women require government intervention. As many as 87% of MSMEs managed by women experienced enormous losses, and 25% experienced a loss of half of their income. Two of three women-owned MSMEs were forced to close permanently or temporarily during the pandemic (Maesaroh, 2021). A decrease in demand resulted in a drastic decrease in income, which occurred after the implementation of large-scale social restrictions during the pandemic.

Several studies have found that the decline in income among MSMEs run by women is partly due to the low level of digital literacy (Goldstein et al., 2022; UN Women, 2020; OECD and ILO, n.d.; Bennett 2021; OECD, 2019). Previous research shows that the digitalization of MSMEs in Indonesia is still around 21%, while digital market opportunities are increasingly penetrative with the emergence of various platforms (Azizah, 2019). The magnitude of this digital market opportunity has yet to be utilized optimally by many MSMEs in Indonesia, especially MSMEs run by women. This study aims to identify and analyze the characteristics of female MSME practitioners, they interpret the business they run, and the urgency of digitalization is in running their business.

## **Literature Review and Theoretical Underpinnings**

Digital Literacy is the user's knowledge and skills in utilizing digital media, such as communication tools and internet networks. User proficiency in digital literacy includes the ability to find, work on, evaluate, use, make and utilize it wisely, carefully, and precisely according to its use (Suherdi et al., 2021). Digital literacy is essential in efforts to empower women's economy. With the mastery of digital technology, women entrepreneurs can access a broad market and make it possible to obtain capital disbursement to increase the capacity and quality of their production.

Adoption and adaptation to new technology is the main issue that requires digital orientation, digital capabilities, and digital transformation in the business they manage. Female MSME practitioners need to take advantage of digital technology's enormous potential and significant role in improving their business performance to enhance strategic competitive advantage and economic development (Shamaki, Ibrahim, and Philemon, 2022)

One part of digital technology that is easily accessible to businesswomen is social media. Low-cost and low-complexity social media

can help MSMEs overcome social marketing problems in highly competitive industries. This can affect the success of MSMEs, which can even play an essential role in the country's economic growth (Ali Abbasi et al., 2022). The use of social media is an option because of its relative advantages, cost-effectiveness, compatibility, interactivity (technological factors), entrepreneurial orientation (organizational factors), and customer pressure (environmental factors). Social media platforms are becoming a vital part of marketing activities. Social media has become a way of competing against large corporations with low costs and limited resources. In addition, social media can also help MSMEs to be more creative (Qalati et al., 2022).

The use of digital technology also plays an essential role in increasing the businesses owned by women driven by increased financial inclusion. The compatibility and collaboration of technology adoption with the business regulatory framework can encourage higher financial inclusion and produce better socio-economic welfare. In this regard, policymakers can encourage increased Internet diffusion and digital tools to support reasonable business regulations, improving people's lives and closing gender gaps. On the other hand, financial institutions also need to be encouraged to promote and provide access to digital financial services and products to meet the needs of low-income citizens and reach those groups who do not own bank accounts (Yakubi et al., 2022). Thus, women who operate MSMEs can get the same benefits from this financial inclusion.

Digitalization is essential for MSMEs for several reasons., It does not require much money but is a practical step in developing MSMEs, can be a means of sharing information and inspiration between entrepreneurs, is an effort to expand the market and income of MSMEs, introduces MSMEs on a broader scale, and will be able to increase the number of workers absorbed from the growth of the MSMEs. In subsequent developments, the growth of MSMEs is expected to have an impact on reducing poverty and unemployment (Pemerintah Daerah Kabupaten Kendal, 2021).

## **The Potential of Women as Business Actors**

The criteria for MSME in Indonesia are regulated in Article 35 to Article 36 of PP UMKM. Micro Enterprises have business capital of up to one billion rupiahs or annual sales results of up to a maximum of two billion rupiahs. Small Businesses have business capital from one billion to five billion rupiahs or have sales proceeds of between two billion rupiahs to

fifteen billion rupiahs. Meanwhile, medium-sized businesses have working capital of between five billion rupiahs and ten billion rupiahs or have annual sales of between fifteen billion rupiahs and fifty billion rupiahs. (“PP Nomor 7 Tahun 2021.Pdf” n.d.)

Many women become MSME practitioners because of the pressure of family needs. This differs from men who do business out of desire. Doing business for women is an option considering that women's career opportunities in the formal sector are often hindered by marriage, childcare, and a glass ceiling. The desire for career advancement, independence, self-efficacy, and family background drives entrepreneurial women (Cho, Li, and Chaudhuri, 2020).

In Indonesia, women run their businesses as a side activity to provide for the family's needs and help their husbands. They started the business with their capital, setting aside spending money or relying on loans from relatives, and still consider their husbands and parents the primary source of their initial capital. The main reasons not to borrow from a bank are the high-interest rates, complicated procedures, and lack of necessity. In addition, it is also influenced by low bank confidence in providing capital loans, which is only around 45% -55%. Therefore, cooperation from the private sector, banking, and other institutions is needed to support women. Women must organize and improve their entrepreneurial skills to innovate products and improve management skills to compete and survive in their businesses (Marthalina, 2018). These women also run businesses without adequate skills. Training and assistance in marketing, production, or business opportunities are needed considering the low quality of human resources, lack of innovation, and low access to capital (Asnawan et al. 2022; Astuti, Kartono, and Rahmadi 2020; Azizah 2019b; Maimuna, Limbong, and Pracita 2022; Ulya and Wahyudi 2022).

The disruptive nature of COVID-19 has created a spectrum of opportunities for innovation and transformation in business enterprises. It is evident that during the pandemic, business owners adapted to emergency conditions and pivoted their business model to capture opportunities that offer new products/services and market differently. MSMEs need to acquire high-level leadership capabilities, enhanced digital skills, and sufficient business domain knowledge to help them address the related challenges (Alam et al. 2022).

MSMEs with the most internet users in Indonesia are found in Yogyakarta, reaching 58%. They use the Internet for business

communication (91.2%), sales/purchases (79.8%), advertising (64%), browsing (46.9%), and mobile banking transactions (14.4%). 60% of these MSMEs are run by women, 90% are micro-businesses, and 98% are in the industrial and service sectors. Their level of education is also relatively high, where 50% of them have high school and university education. (Kusumawardhani et al., 2022)

Women use digital media a lot in their daily activities. They use cell phones and personal computers to access the Internet. Thus, opportunities are opened for the process of adopting innovative technology to increase women's abilities in the context of running MSMEs (Widyastuti et al., 2016). In Solo, Central Java, payment gateway-based fintech and digital marketing have a positive and significant effect on the financial performance of MSMEs. Financial literacy moderates the influence of payment gateway-based fintech on the financial performance of MSME (Octavina & Rita, 2021). Business actors with good financial literacy make sound financial and business decisions. It may impact the development and sustainability of the business in the future (Jayanti & Karnowati, 2023).

Women must prepare to adopt the technology needed for production, finance, and marketing. In Indonesia, in general, MSMEs are optimistic and willing to innovate. They believe technology and digitalization can improve and innovate their business. However, they still feel overwhelmed in the learning process and feel insecure when doing digital transactions (Arifin & Kohar, 2022). MSMEs still need innovation, especially in information and communication technology. Female MSME practitioners still experience limitations in running an e-commerce business (Linawati et al., 2018)

Meanwhile, research on female MSME practitioners in the Province of Bali shows that many MSMEs still must work hard to adapt to technology with various limitations. Not all craft-weaving MSMEs in Bali can access digital technology. The inequality of access and the abilities of female MSME practitioners indicate that the digitalization of the economy has yet to be fully able to become a solution for a more humane and prosperous economy for all people (Telagawathi et al., 2021). Digitalization of MSMEs is not only related to business continuity and improving the economy but also related to concern for the environment. Bookkeeping, an essential part of MSME, can be done more efficiently, neatly, and environmentally friendly because it is paperless (Sagena et al., 2023).

## **Feminism Intersection**

The concept of intersectionality was raised by Crenshaw (1989) to identify discrimination against women that occurs in the social order and layer of society, which includes skin color and the growing social stigma. Intersectionality, which Kimberl-e Crenshaw coined, is the recognition of interrelated identities, defined by the relative sociocultural power and privileges that shape people's individual and collective identities and experiences. This approach allows for a more nuanced analysis because it does not prioritize a single social category or conceptualizes social categories fixedly and statically (Morton, Muchiri, and Swiss, 2020).

Building on the intersectional approach, Collins (1991) combines the study of ethnicity and religion more closely with the intersection of gender, race, class, and nation. By emphasizing family roles, Collins understood that individuals would learn their assigned place in the hierarchy of race, gender, ethnicity, sexuality, nationality, and social class within their family of origin. Nash (2008) expands the concept of intersectionality to include religion, citizenship, ethnicity, and race, which are political markers of women's identity and are a source of discrimination. Nash argues that intersectionality helps to see how oppression and privilege are shaped based on race and social class. Furthermore, Riley (2003) sees that women's identities are constructed historically, discursively, and categorically (Kiranantika, 2022).

Intersectionality places the individual's life experience at the center of attention, an approach that seeks to overlay or expand narratives to explain how identities and intersectional structures are plausible (Vacca, 2022). The intersectional approach has come a long way. It has even been more broadly re-theorized in the digital feminist' knowledge culture', namely as a way to capture everyday learning practices that are facilitated and shaped through the digital culture that is practiced in everyday life (Kanai, 2021).

The contemporary feminist intersectional movement seems to offer a different approach that can overcome distance. The concept of intersectionality focuses on the interrelated effects of multiple dimensions of power and oppression in everyday life. Intersectionality refers to various oppressions that cross, for example, the intersection with race and gender, sexuality, class, and country. Oppression is not single but layered. (Crenshaw, 1991; Collins, 2019) Intersectionality is helpful in explaining the marginalization of women who are always considered a minority. The

intersectional feminist movement aims to demarginalize the voices of minority women and, at the same time, various articulate forms of inequality in political claims that can create solidarity (Giorgi, 2021).

Intersectionality will help explain that women as MSME practitioners are in a state of intersection between traditional gender roles, the pressure to fulfill economic needs, and the development of digital technology. It is still sharpened by these women's social conditions, beliefs, and educational level, which shape their character, attitudes, and motivations in utilizing or not utilizing digital technology to run their businesses.

## **Methods**

The researchers adopted the data collection model of Bouman et al., which suggested that research in the field of women entrepreneurs by building good relations with informants. It helps researchers gain access so informants can express their hopes and desires. Researchers need to help provide insight to help describe informants' areas of knowledge and motivation hidden in their subjectivity. Researchers also find out the daily activities of informants and use the same language to gather information (Sudarmanti, Bauwel, and Longman, 2013)

The research was conducted in two sub-districts in East Java, namely Kangean Island, which is in the Sumenep district, and Paciran sub-district in the Lamongan district. The research data in this study were taken using the snowball sampling method, with female MSME practitioners as the subjects. The 42 women who became participants in this study were in various age ranges, ranging from 20 to 50. The female MSME practitioners in Paciran and Kangean are micro-entrepreneurs with a monthly sales turnover of between 3 million and 10 million rupiahs. They have been in business for less than ten years. 69% of participants were married, 23% were widows, and 8% were single.

The educational level of female MSME practitioners in the Sunan Drajat Islamic Boarding School area, Banjarwati Village, Paciran, has a percentage of Bachelor graduates of 42.9%, the same as the percentage of High School graduates (SMA). Meanwhile, the percentage of female MSMEs practitioners who have graduated from junior high school (SMP) is 14.3%. Thus, the educational level of the female MSME practitioners in Paciran was excellent and has passed a minimum of 9 years of compulsory education.



Meanwhile, the education level of female MSME informants in Kangean tended to be middle to lower; namely, 67% had junior high and high school education with low life skills. 11% have an elementary school education, and 22% have a bachelor's degree. The age range of most MSMEs practitioners was around 30-40 years.

Focus Group Discussions and interviews with various parties, including Islamic boarding school caretakers, local government, and women's religious organizations. Interviews were conducted (1) to find out the opinions, thoughts, and memories of the subjects studied in their language, (2) carried out by relying on traditional feminine skills, with an approach that is full of understanding, open, accepting and responding to other people's feelings and the ability to talk about things - sensitive matters without eliciting feelings of threat, (3) to avoid control over research subjects, while at the same time building a sense of connectedness with the people who are research subjects (Reinhart, 2005). Data analysis was carried out using interpretive analysis methods. Interpretation involves the researcher's construction of the reading of events, thus enabling an understanding of the research experience expressed (Denzin, 2009).

## Results

The characteristics of women with relational competence, compassion, sensitivity, intuition, cheerfulness, nurturing, and empathy help women to be more market-oriented. Market orientation is the strength to survive the crisis. Meanwhile, long-term social orientation can help retain clients longer, which is needed when customers are scarce. This characteristic also enhances internal social support in MSMEs. The resilience of women entrepreneurs enables them to overcome obstacles such as access to credit. These characteristics give women special skills that arise during crises, making them better able to handle pressures such as during a pandemic (Marconatto et al., 2022). Individual character and psychological character have a positive influence on business performance. Tenacity in trying and hardworking is the principal capital that needs to be supported by other positive characteristics (Miftakhuljanah et al., 2016). Women need to be more innovative, future-oriented, willing to take risks, and confident to be successful in their businesses (Tambrin, 2019).

Most female MSME practitioners in Indonesia fall into the micro and subsistence category. They do business not because they want to but

because they have no choice. They run a business to meet their daily needs. It is influenced, among other things, by the need for more business capital, low formal education, and lack of special business skills, including mastery of digital technology. These women need more interest in making their business more prominent, without staff, and only use the Internet in a limited way, usually only for communication purposes. Being a subsistence MSME also makes women prioritize raising children over their business, even if they are willing to change the type of business that they can do while doing household chores. (Kusumawardhani et al., 2022)

Female MSME practitioners in Indonesia experience various obstacles in running their businesses: (1) Access to capital, which is due, among other things, to a lack of procedural knowledge to access banking services and the limited grant and credit schemes provided by the government, (2). Access to the market, due to limited space for women to move more in the domestic realm, (3) Access to information due to limited use of technology and limited information according to the needs of women in entrepreneurship. 4. Access to training to develop skills and capacity as an entrepreneur (Helmiatin 2017).

The age range for most female entrepreneurs is 35-45 years (Faridyah, 2020). Women involved in MSMEs are more likely to own small businesses than men. MSMEs run by women are more informal and not registered with the government, and their turnover is also lower than those run by men. More female MSME practitioners work in the trade or service sector, and only a few are in the manufacturing sector, except for food, textile, and garment production. The business is often at the local scale. Next, regarding using technology, for example, computers, women use computers less often than men and even more women do not (40% versus 47%) (Japhta et al., 2016).

Women experience obstacles in running their businesses because of the double burden. They experience pressure to balance their responsibilities at home and the need to focus on business. The pressure experienced by women is not only from the family but also from the surrounding community, who think that women must be fully responsible for work in the household before carrying out business activities or other activities. Female MSME practitioners allocate income from their businesses to meet household needs, which results in a lack of investment in their businesses. Even in running their business, 54% of female MSME practitioners say that their spouse and family dominate financial planning. Women also often

experience anxiety and lack self-confidence due to the firm belief that earning a living is the responsibility of men. The space for women to move is limited because of culture and control from society. Those living in rural areas will need help accessing government offices and other business-related services far from where they live. Often they are not allowed to travel independently, not having the time or money to reach them. Women also experience discomfort when dealing with officials who are primarily men (Japhta et al., 2016).

Most women involved in MSMEs in Paciran run food and beverage businesses and sell clothes. Many of them also have other professions apart from running MSME. Usually, they have their primary profession as teachers who teach inside the Sunan Drajat Islamic Boarding School and outside the Sunan Drajat Islamic Boarding School area.

As in Paciran, MSMEs in Kangean generally sell processed food products. However, most processed food products at Kangean are made from fish, such as shrimp paste, fish balls, pempek, and other processed seafood. It comes from sea fishing as the dominant livelihood of the Kangean people. Several processed fish, such as pempek and fish balls, are mainly processed into frozen food to be distributed outside Kangean Island.

MSMEs in Kangean have also penetrated the field of delivery services. Apart from J&T Express, SiCepat, and JNE, Kangean Island has local expeditions, including ANJ Express. The existence of local expeditions is a choice for the community because inter-island shipping costs are much cheaper than general expeditions. ANJ Express has been running for three years now. The target destinations are big cities outside the island, such as Jakarta. In addition, the target of shipments is also made overseas, currently focusing on Malaysia. Generally, the goods that will be distributed are goods and some food produced by the MSME community. The expedition takes place according to the ship's departure schedule, which is three times a week on Monday, Wednesday, and Saturday. However, this is not certain because if the ship experiences problems such as damage or repairs, the goods will accumulate at the distributor agent. Expedition time depends on the destination location. If the destination is around Indonesia, it takes 3-7 days, while Malaysia generally takes ten days.

Apart from processed food and services, MSMEs in Kangean have also penetrated the accessories and clothing goods sector, such as tailors and decorative deliveries. MSMEs of this type generally look for basic materials in Surabaya or other areas out of the island. For production, the materials

were brought to Kangean. These MSMEs sell several goods: shoes, sandals, and clothes. The majority of consumers are in the local area of Kangean. Very rarely marketed outside the island. It is because shoes and sandals are purchased outside and traded within the Kangean community. Another fact is that the average MSME actor has never attended training from the government to improve skills for MSME development.

## **Gender Intersection**

The inequality in gender relations that places women in Paciran and Kangean experiences oppression. This oppression is interpreted in various ways by women running MSMEs. It has an impact on the low ability of women to run their businesses. Female MSME practitioners in Kangean and Paciran have had relatively large business opportunities. However, this great opportunity does not allow women to develop businesses freely. It is because women's access still needs to be improved. Such access includes access to information, resources, and markets. The lack of availability of positive information for business development causes difficulty accessing information. There is a lot of hoax information that is even more widespread and readily accepted by women. Another problem is that there are still women who need cell phones. If there is only one cellphone in a family, it is usually the husband or children who use it.

Female MSME practitioners have difficulty accessing material and non-material resources around them for business development. One example is business capital in the form of credit provided by banks which are still gender-blind and are not widely used by women. It is due to complex administrative processes and a need for understanding procedures to the point that no property can be used as collateral. In addition to material resources, there are non-material resources in the form of knowledge, skills, reputation, social networks, and spiritual resources. Spiritual resources include a thirst for knowledge, a vision of opportunity, a work ethic, sensitivity to discipline, family solidarity, community solidarity, and good faith.

Regarding non-material resources, it is difficult for women to access and utilize them. It happens because women's formal education level is still low compared to men. Meanwhile, knowledge derived from everyday experiences is not considered valid and scientific. Likewise, the placement of women in the domestic sector makes women learn skills related to caring for their families and doing household work. It makes them alienated from

the public world, making it difficult to network and build solidarity among women.

The participation and involvement of female MSME practitioners are high. However, the business units that are carried out are still on a small scale, as can be seen from the types of MSME developed, turnover, and limited marketing outreach. It is because they still have to carry out various domestic activities, such as taking their children to school and reading the Qur'an, as well as various other domestic activities. Most of the income from MSME run by women is also used for their children's needs to go to school or for additional pocket money for their children.

On the side of women's participation, female MSME practitioners could be more optimal in participating in the business. The orientation of women who prioritize their roles in the family and other professions, such as being a teacher, creates a lack of urgency to continue developing a business. MSME practitioners in Paciran, for example, have a high sense of gratitude and consider the blessing factor. Even though the income from being a teacher is less than that of MSMEs, they still prioritize teaching because they believe in blessings. Their thoughts are related to the culture within the Islamic Boarding School, which teaches much gratitude. Even though their husbands assist them in preparing for the needs of MSMEs, they still feel that the domestic sphere is more important and is their duty.

Several factors cause them to focus on other things than developing MSMEs. The first is because they need to prioritize time for MSMEs. They want to be energized so they have time to take care of their family. Second, SME actors who have other professions, namely teachers, prioritize teaching more, even though their business can be developed bigger because, according to them, teaching is a noble profession and brings blessings.

## **Religion**

The atmosphere in the two research locations has very strong Islamic nuances. For example, recitation activities are routinely carried out in both the Paciran and Kangean areas. In addition, many business entities are founded based on Islamic principles or contain elements of the Islamic religion. In Paciran, many large Islamic boarding schools have been established. In one village, Banjarwati Village, there are six Islamic boarding schools with students from various regions in Indonesia. The types of Islamic boarding schools also vary, from general to Islamic boarding schools that focus on specific areas, such as memorizing the Qur'an. The

figure of the Kiai (Islamic religious leader) is also highly respected in Paciran. The community around the Sunan Drajat Islamic Boarding School still believes in the Kiai's glory. In Kangean, there is also the large Al Hidayah Islamic Boarding School which has a significant influence in strengthening the religious culture of the Kangean people. Religious figures from the pesantren are also highly respected in Kangean, but their influence is less intense than that in Paciran.

Pondok Pesantren Sunan Drajat is influential in terms of market, employment, and thinking. The students, alumni of the students, and the community around the Sunan Drajat Islamic Boarding School highly respect the figure of Kyai Ghofur, the leader of the Sunan Drajat Islamic Boarding School. He became a figure admired and followed. There is also great fanaticism towards Kyai Ghofur, especially from the Sunan Drajat Islamic Boarding School students and alums of the Sunan Drajat Islamic Boarding School. They uphold the motto "Sami'na Wa'ato'na", which means "we listen and we obey," so that when there is an order from Kyai, the santri will answer "ready to carry it out."

Life based on the Islamic religion, which is very strong in the area around the Sunan Drajat Islamic Boarding School, results in several unique factors, one of which is a matter of gratitude and seeking blessings. Communities around the Sunan Drajat Islamic Boarding School have a high sense of gratitude. They do not prioritize the pursuit of material things but rather the pursuit of blessings. It is illustrated by the statements of the MSME community members who tend to lead a life that they think is sufficient and calm, that is, with lots of gratitude. It makes the thinking of female MSME practitioners around the Sunan Drajat Islamic Boarding School not to get as much profit as possible from selling but how their sales can be enough for their daily needs and bring blessings without forgetting worship. Many people believe in the 'advantages' possessed by Kyai. For example, Kyai Ghofur is famous for his 'suwuk', in the business unit built by Sunan Drajat, a herbal medicine that is quite famous. They have many customers because they are considered to have received special prayers from Kyai Ghofur. Apart from that, according to the information from several business units from the Sunan Drajat Islamic Boarding School, Kyai Ghofur played a significant role in expanding its market. The fanaticism of the alumni and the many admirers of Kyai Ghofur are spread throughout Indonesia. They have many customers because they are considered to have received special prayers from Kyai Ghofur.

Female MSME practitioners in Kangean are also members of the Qur'an recitation group. Within one week, at least an average of them attended 3-4 recitations. The existence of this group is a space for economic empowerment and strengthening. This study forum helps increase the capacity of female MSME practitioners and build a more comprehensive sales network. In assisting to increase the capacity of MSMEs, one of the efforts of the recitation groups initiated by the Fatayat and Muslim women's organizations includes encouraging recitation members to make home industries and sell them during recitations. In addition, the Fatayat group has mobilized its members to bring their products during the recitation.

### **Limited Living Facilities to Support Business**

Most female MSME practitioners in Paciran already use digital technology in their daily lives, such as mobile phones. The smooth condition of the internet network in Paciran makes mobile phones a potential tool for business development. They also have private vehicles that they use daily. However, despite having these facilities, public facilities in Paciran are still inadequate. Digital delivery applications already exist in various cities in Indonesia, such as Gojek and Grab, still need to be made available in Paciran. Then, for access to the City of Lamongan, as well as to the City of Surabaya, there are still few public transportation services, there are only buses and vans, but they are not available in large numbers. The majority of their access outside the area is using private vehicles.

Meanwhile, in Kangean, female MSME practitioners experience problems accessing the Internet. Even though they have used a cell phone, not all points in Kangean have internet access. This disparity in signal coverage impacts the difficulty of accessing online applications to support community businesses and technological developments in general. Due to network constraints, the Go-Way application, a digital innovation in Kangean, was used less massively. Go-Way banners and driver recruitment have been found in Kangayan District. However, the signals of various internet network providers also have yet to reach all areas of Kangean Island, especially the Kangayan District area, which is only centered around Kangayan District.

## **Low Digital Literacy**

Understanding digital use still needs to improve in the Kangean and Paciran areas. In the Kangean region, the lack of digital literacy is influenced by the uneven distribution of the internet network there. This disparity to reach impacts the difficulty of accessing online applications to support community businesses and technological developments in general. Due to network constraints, the Go-Way application, a digital innovation in Kangean, was used less massively. Go-Way banners and driver recruitment have been found in Kangayan District. However, the signals of various internet network providers also have yet to reach all areas of Kangean Island, especially the Kangayan District area, which is only centered around Kangayan District.

Apart from the internet network disparity factor, the people in Kangean do not yet have an awareness and understanding of the use of digital technology for business development. For them, digital technology is used more for communication and entertainment. Meanwhile, in Paciran, low digital literacy is influenced by cultural and individual factors. Even though there are no internet network constraints, many people choose to study something other than digital technology. People think that digital technology, such as mobile phones, may cause negative impacts; thus reducing their use.

## **Discussion**

### **Intersection and Female MSME Practitioners**

The research conducted in Iran explains that Instagram can empower women by providing a platform for women to run their businesses. Women can access resources even though they have household responsibilities and activities. Running a business that gives women income will make them more confident and able to make decisions. (Mahdipour 2022). In contrast, this study identified many factors that shape the agency of female MSME Practitioners in Indonesia. The intersection of gender, race, social class, education level, cultural environment, and religion form the unique characteristics of female MSMEs practitioners.



## **Women's Motivation to Do Business**

Women involved in MSMEs in the Sunan Drajat Paciran Islamic Boarding School and Kangean admit that they open businesses to meet household needs. In the patriarchal tradition, the primary breadwinner in the family is the man. Hence women will only work/do business if they feel that fulfilling a living from their husbands is not enough. Otherwise, women are forced to work because they do not have a living: husbands work abroad or are widowed.

MSME for women is only one of the jobs that they have. Women's main job is domestic affairs, caring for the family and household. Beyond that, other job sectors, including being a teacher, are also more of an option. MSME is also considered an activity to channel creativity or hobbies. Understanding religion makes women who do MSMEs feel quickly satisfied with what they have obtained, surrender and willingly accept the situation so that women do not try to expand their business reach. They consider an environment that provides opportunities and good fortune to be grateful enough.

This intersection makes women perceive that MSME's digitalization does not need to be carried out due to several reasons, including unfavorable situations and conditions, namely mobile phone ownership and difficulties in getting a signal. Another reason is the negative view of mobile phones and the Internet. Many still assume that cell phones and the Internet bring harmful effects. Using mobile phones too often will interfere with their work activities and productivity.

## **Using Digital Technology**

Most of the use of digital technology by female MSME practitioners in Kangean and Paciran is limited to social media. MSMEs in Kangean can only operate social media platforms such as WhatsApp, Facebook, and Instagram for promotions and buying and selling transactions. However, most MSMEs cannot yet perform editing and design processes. One of the factors hindering activity through social media is the uneven signal coverage and lack of skills in using social media. Apart from the signal factor, the average age of female MSME practitioners is already less productive, making it difficult for them to understand and study the features available in technology.

In Kangean, most MSMEs benefit from digitalization because their products are becoming more widely known by the public. Apart from that, starting from the pandemic, which required all activities to be online, people are now more interested in placing orders through digital technology. However, in the process, female MSME practitioners also feel they need to feel the benefits. When they use digital technology in the form of online purchases using the Go-Way delivery service (a local delivery service in Kangean), they feel annoyed because couriers often ask for their orders to come first, thus disturbing offline buyers. In the end, several female MSME practitioners decided not to use Go-Way anymore.

On the other hand, signal providers such as Telkomsel and XL have not yet reached the entire area of Kangean Island, especially the Kangayan District area, which is only centered around the Kangayan District. The people of Kangayan must reach certain areas to get telephone and internet signals. However, the opportunity for marketing through digital technology has attracted the attention of the public, and it has been proven that they are willing to go to the trouble of gathering in a place with a signal just to be able to shop. According to them, this still saves time because by being in one place, they can choose many items from various sellers in online media.

Several female MSME practitioners in Paciran also use digital technology in their business. They utilize digital technology for product development and ordering raw materials, networking with other MSMEs, payments, and marketing. Female MSMEs selling processed food products such as cakes and chocolate have learned much about product development from YouTube and the MSMEs community network on Facebook and social media.

The understanding of female MSME practitioners in Paciran about the use of social media is also quite good. They also understand that there are digital buying and selling platforms such as Shopee and Tokopedia. However, they do not use an online buying and selling platform. They think that digital technology is not needed because their target market is only students and visitors who do not need to use digital platforms for marketing.

Although many women in both Kangean and Paciran have used digital technology, some refuse to conceive. They think digital technology interferes with their daily activities, and they think it only drains their time and worries about being unable to work optimally. They consider that the profits they get from traditionally doing business are sufficient. Shopping

for raw materials at traditional markets or from sellers around them is more pleasant and makes them have a mutually beneficial bond.

The limited time due to the double burden they bear, namely domestic work, formal activities, and social activities, is enough to burden female MSME practitioners in both regions. Being a housewife, being a teacher, and participating in various recitation activities, which can be up to 2-3 times a week, is hard enough for women. It becomes a consideration for limiting his business ventures as much as possible. According to them, using digital technology would be troublesome because of the large number of orders and the inability to handle them.

There is still a negative perception of using digital media, such as mobile phones. Mobile phones are considered to make them complacent and forget about other work, so they reduce their use. Not to mention they have to buy credits and internet quota for the phones. Meanwhile, on the other hand, the still complex signal makes them have to take the time to gather in one place, as was done by the women involved in MSMEs in Kangean.

## **Conclusion**

The intersection of gender, religion, social class, education level, and geographical area has shaped the unique characteristics of women SMEs in Kangean and Paciran. They have the orientation of building a business to fulfill their daily needs and intend to develop it only if many things are more important. They are taking care of the household, working on getting blessings, and doing religious activities as the peak orientation of life guiding women in their daily activities.

The use of digital technology, which on the one hand, can help women's MSMEs' business development, is interpreted differently. Digital technology is not considered a necessity but only used when it is considered not to interfere with other activities. Therefore, the use of digital technology is not just because of the inaccessibility of facilities in the form of cell phones, internet signals, and important information. However, the life orientation that is awakened in female MSME practitioners determines their choice of whether to use it or not.

Digital skills are less explored as a tool to support business development, and their use is still "social media consumption." The view formed by the scope of Islamic boarding schools has more to do with gratitude and blessings, resulting in a paradigm of society that is not so

concerned with pursuing material things and developing its business. Most MSME practitioners' motivation is not driven by passion or goals but tends to be in the mindset of filling free time, of doing trial and error, and of surviving to support their daily needs. In addition, female MSME practitioners prioritize other professions and the role of homemakers, which makes them less interested in developing their businesses, including development towards digitalization.

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