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Strengthening Family Welfare through the Empowerment of Women-Owned MSMEs in Aceh Besar Regency

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Abstract

Women's economic empowerment through micro, small, and medium enterprises (MSMEs) is widely recognized as an important strategy for supporting household livelihoods and local economic resilience. However, women entrepreneurs continue to face structural and socio-cultural constraints, particularly in rural contexts. This study aims to explore how women-owned MSMEs are experienced in relation to family welfare and how empowerment is shaped by Islamic values and local wisdom in Aceh Besar Regency.

This study employed a qualitative field research approach. Data were collected through semi-structured interviews, observations, and documentation involving 12 women MSME actors selected using purposive sampling. Participants were aged 20–45 years, engaged in culinary, handicraft, and small-scale retail businesses, with business experience ranging from 1 to 10 years. Each interview lasted approximately 45–60 minutes. Data were analyzed using the interactive model of Miles, Huberman, and Saldana.

The findings suggest that participants reported contributing to household income, particularly in meeting daily needs and supporting children's education. MSME activities were also described as helping households manage financial uncertainty. Participants indicated that Islamic values, such as honesty, fairness, and avoidance of riba, along with local practices such as community cooperation, influenced business practices and supported customer trust. At the same time, participants reported ongoing challenges, including limited access to capital, markets, and technology.

These findings suggest that women's involvement in MSMEs is perceived as meaningful for household welfare, while also being shaped by broader structural and socio-cultural contexts.

KEYWORDS

women entrepreneurship; MSMEs; family welfare; Islamic values; local wisdom.

Introduction

The presence of women-led micro, small, and medium enterprises (MSMEs) signifies both women's financial autonomy and their impact on family well-being (Sharma & Agarwal, 2021; Tuncer, 2019). In Aceh Besar Regency, these women-owned businesses create job opportunities and provide supplementary income for households. Earlier research has predominantly concentrated on how much income these enterprises generate, with fewer studies exploring how Islamic principles and local traditions support women-led MSMEs in rural settings (Chapra, 2000). This research emphasizes women's involvement in fostering financial independence through business ventures. MSMEs are crucial for economic development, and their prosperity is deeply intertwined with the active participation of women in commerce (Abdullah et al., 2019). This situation motivates women to take on multiple responsibilities by engaging in various income-producing activities that aid their partners in fulfilling family needs.

According to data reported by Bank Indonesia (2024), Indonesia had approximately 41.6 million micro, small, and medium enterprises (MSMEs) operating nationwide. Of

this total, around 64 percent (equivalent to approximately 26.6 million enterprises) are owned and/or managed by women. Women-led MSMEs are predominantly concentrated in the food and beverage sector, followed by activities in handicrafts, agriculture, apparel and accessories, cosmetics, and health-related services. However, these figures should be interpreted with reference to the specific classification used in the source, particularly regarding whether women's involvement refers to ownership, management, or both.

Although this proportion is relatively high compared with global averages, previous studies indicate that women-owned enterprises often face structural constraints that limit their growth potential. For example, reports from the Organisation for Economic Co-operation and Development (OECD, 2022) suggest that women-led businesses generally exhibit lower growth orientation and limited capacity for large-scale job creation, largely due to barriers in access to finance, technology, and business networks.

Studies in the Indonesian context indicate that women's participation in micro, small, and medium enterprises (MSMEs) is often closely linked to efforts to support household income and improve family welfare. Women entrepreneurs are frequently engaged in income-generating activities as a strategy to strengthen household economic resilience, particularly among lower- and middle-income families. This pattern is also relevant in rural areas, including Aceh Besar Regency, where women's economic roles are shaped by both economic necessity and socio-cultural factors (Sabrina & others, 2023).

This finding is relevant to the context of Aceh Besar Regency, where many families rely on small-scale economic activities to meet daily needs. Previous studies on rural MSMEs in Indonesia also suggest that women frequently participate in micro-enterprises to complement household income and reduce economic vulnerability (Oktari & Sartiyah, 2020; Ramadani et al., 2023). However, while existing research highlights the economic contribution of women entrepreneurs, limited attention has been given to how Islamic values and local socio-cultural wisdom shape women's MSME empowerment in rural Aceh (Boston Consulting Group, 2025). Therefore, this study aims to explore how women-owned MSMEs contribute to family welfare and how empowerment processes are influenced by Islamic values and local wisdom in Aceh Besar Regency.

In response to the challenges faced by women-owned MSMEs, this study seeks to examine the role of women entrepreneurs in strengthening family welfare and local economic resilience. Specifically, the research aims to explore how women contribute to the development of MSMEs and how their economic activities influence household income and well-being. In addition, the study investigates how Islamic values and local socio-cultural practices shape the empowerment and sustainability of women-owned MSMEs in Aceh Besar Regency (Qamar et al., 2023). By analyzing the experiences and perspectives of women MSME actors, this research aims to provide a deeper understanding of the socio-economic dynamics that support women's entrepreneurial activities in rural contexts.

Despite progress, women-led MSMEs encounter numerous entrepreneurial hurdles, including deeply rooted socio-cultural standards that perpetuate gender disparities (Susanto, 2015). Many women find it challenging to participate in the formal job market, often leading them to seek informal employment instead (Kotter, 2021). They deal with societal pressures and issues like violence and discord. Additionally, women often juggle business development with household obligations and childcare responsibilities, which limits their available time for entrepreneurship (World Bank, 2021). Moreover, they are typically not viewed as the main earners in their families. A research project by Independent Research and Advisory Indonesia in various cities revealed that 42 percent of women initiated small businesses merely to enhance their husbands' earnings and were content with sustaining a small scale of business once this objective was met.

Women also find their economic power within households to be quite restricted. They frequently rely on their husbands concerning business issues and often need their partners' consent for important business choices. Other limitations include challenges in accessing markets, regulatory obstacles, barriers to technology and financing, and susceptibility to natural disasters. By recognizing these difficulties, women-led MSMEs can create more effective strategies and empowerment initiatives. This study highlights the importance of women in fostering economic self-reliance through entrepreneurship. It seeks to investigate how micro-businesses managed by women in Aceh Besar Regency aid in enhancing family welfare from an Islamic finance perspective, which offers pertinent and thorough guidance. In Islamic finance, the notion

Table 1. Potential of Home-Based Industries and Manufacturing Industries in Aceh Besar Regency

No	Type of Industry	Main Sub-Sector	Potential / Scale	Description
1	Home-Based Industry (MSMEs)	Food and beverages	Dominant	Home-based production using local raw materials; largely managed by women
2	Home-Based Industry (MSMEs)	Handicrafts	High	Based on local wisdom and Acehnese cultural products
3	Home-Based Industry (MSMEs)	Agricultural product processing	High	Processing of rice, coconut, coffee, and other agricultural commodities
4	Home-Based Industry (MSMEs)	Trade and services	High	Small retail businesses and household-based services
5	MSMEs (All Sectors)	All sectors	±40,032 units	MSMEs dominate the economic structure of Aceh Besar Regency
6	Small Industry	Small-scale manufacturing	Limited	Utilizes simple technology and absorbs local labor
7	Medium and Large Industry (Factory)	Food and beverage industry	Developing	Concentrated in specific locations
8	Medium and Large Industry (Factory)	Manufacturing and logistics	Potential	Supported by regional industrial development plans
9	Industrial Area	Ladong Industrial Center	±66.68 hectares	Strategic industrial zone for manufacturing and logistics
10	Planned Industry	Battery industry	Planned	Expected to increase investment and employment opportunities

Source: Statistics Indonesia (BPS) Aceh Province; Aceh Besar Regency Government; Office of Cooperatives and MSMEs (processed).

of family welfare encompasses more than just material wealth; it also embraces spiritual and moral health in line with Sharia principles. This finance model underscores that all business endeavors and earnings should stem from halal and thayyib (lawful and beneficial) practices.

Consequently, micro-enterprises founded on Islamic finance emphasize transparency, integrity, and accountability in business operations while steering clear of *riba* (interest), *gharar* (uncertainty), and *maysir* (speculation). Such a framework is essential in motivating women entrepreneurs to elevate the quality of life for their families and local communities. Employed women are expected to uphold their rights and responsibilities as dictated by Sharia guidelines; thus, this analysis examines women's entrepreneurship through an Islamic lens. From observations in Aceh Besar Regency, it is evident that women in rural areas are actively engaged in economic tasks typically associated with household heads, especially in terms of financially supporting their families. The following section presents data on villages and enterprises or home-based industries that employ women:

Table 1 indicates that the economic framework of Aceh Besar Regency is primarily characterized by home-based businesses and micro, small, and medium enterprises (MSMEs), with around 40,032 operational business units across different fields. A significant proportion of these businesses are focused on processing food and beverages, creating handicrafts, dealing with agricultural products, as well as in trade and service sectors. These industries are predominantly home-based and use locally sourced materials, showcasing the significant influence of regional resources and community-driven production methods.

On the other hand, small, medium, and large manufacturing industries are scarce and found in limited locations. Nevertheless, the Ladong Industrial Center, which spans about 66.68 hectares, indicates the area's promising potential for industrial growth, especially in manufacturing and logistics. Moreover, the planned establishment of new industries, including the battery sector, reflects the local government's dedication to enhancing industrial diversification and job creation (Wanto, 2017).

In summary, the growing importance of MSMEs highlights their significant role in supporting household income and strengthening local economic resilience. In the context of Aceh Besar Regency, the development of industrial areas and local economic initiatives presents new opportunities for MSMEs to expand their economic activities (Tang & others, 2018). However, limited research has explored how women-owned MSMEs contribute to family welfare and how their empowerment is shaped by Islamic values and local socio-cultural practices in rural Aceh.

Therefore, this study aims to examine the role of women-owned MSMEs in improving family welfare and to explore how Islamic values and local wisdom influence women's entrepreneurial empowerment in Aceh Besar Regency. By focusing on the experiences and perspectives of women entrepreneurs, this research seeks to contribute to the growing literature on women's entrepreneurship, MSME development, and Islamic moral economy in rural contexts.

Previous studies have examined the role of women-led micro, small, and medium enterprises (MSMEs) in improving household welfare and promoting local economic development. (Oktari & Sartiyah, 2020; Ramadani et al., 2023) emphasize the importance of women's entrepreneurship in fostering inclusive economic growth, while Brush, de Bruin, and Welter (2019) highlight structural barriers that influence women's entrepreneurial opportunities and business expansion. In the Indonesian context, Oktari & Sartiyah (2020) found that women's participation in rural micro-enterprises contributes to household income and

economic resilience. Similarly, Ramadani et al. (2023) show that women-led MSMEs are associated with efforts to strengthen family welfare through income diversification and small-scale entrepreneurial activities. In the field of Islamic economics, Asutay (2012) discuss how Islamic economic principles can promote ethical and inclusive economic practices.

However, these studies tend to examine women's entrepreneurship either from an economic perspective or within broader macro and cross-country contexts, with limited attention to how empowerment is experienced at the local level. In particular, there is a lack of research that integrates women's economic roles with Islamic values and local wisdom within specific socio-cultural settings. Moreover, previous studies have largely relied on quantitative approaches or secondary data, leaving limited insight into women's lived experiences and perceptions. Therefore, this study addresses these gaps by focusing on women MSME actors in Aceh Besar Regency using a qualitative approach to explore how economic participation, religious values, and local cultural practices intersect in shaping family welfare and women's empowerment.

Despite these contributions, several limitations remain in the existing literature (Nur & Utami, 2022). First, most studies focus primarily on economic and social determinants of women's entrepreneurship, with limited attention to how Islamic values and moral economic principles shape women's MSME activities. Second, many empirical studies focus on urban or semi-urban contexts, leaving rural communities relatively underexplored. Third, there is limited research that integrates Islamic values with local socio-cultural wisdom in understanding women's MSME empowerment and sustainability.

To address these gaps, this study offers several contributions. First, it examines women-owned MSMEs in a rural context, specifically Aceh Besar Regency, where Islamic values strongly influence social and economic practices. Second, it analyzes women's entrepreneurial empowerment through the combined lens of Islamic values and local wisdom. Third, the study employs field-based qualitative thematic analysis to explore the experiences and practices of women MSME actors.

Accordingly, this study aims to address the following research questions:

- (1) How do women-owned MSMEs contribute to improving family welfare in Aceh Besar Regency?
- (2) How do Islamic values and local wisdom influence the empowerment and sustainability of women-owned MSMEs?

To answer these questions, this study adopts a qualitative approach that explores the lived experiences and business practices of women MSME actors who operate within the framework of Islamic principles and local cultural traditions.

Methods

Research Design

This study employed a qualitative field research design to explore how women-owned micro, small, and medium enterprises (MSMEs) are experienced in relation to family welfare in Aceh Besar Regency, with particular attention to the role of Islamic values and local wisdom. The unit of analysis in this study is women MSME actors operating in rural areas. A qualitative approach was chosen to gain an in-depth understanding of participants' experiences, perceptions, and practices, particularly in relation to the intersection of economic activities, socio-cultural values, and religious perspectives.

Primary data were collected through observations and semi-structured interviews, while secondary data were

obtained from academic literature, official reports, government publications, and previous research related to women's entrepreneurship and MSME development. Semi-structured interviews were used to ensure consistency in the topics discussed while allowing flexibility for participants to elaborate on their experiences.

The interview guide consisted of several thematic areas, including: (1) the role of women in managing MSMEs, (2) the contribution of MSMEs to household income and family welfare, (3) the application of Islamic values in business practices, and (4) challenges and opportunities faced by women entrepreneurs. Probing questions were used during interviews to clarify responses and obtain deeper insights into participants' perspectives.

To ensure the credibility of the findings, data triangulation was conducted by comparing information obtained from interviews, observations, and documentation. Member checking was also applied to confirm the accuracy of the data with participants. Thick description was used to enhance transferability, while dependability and confirmability were maintained through systematic documentation of the research process.

The collected data were analyzed using the interactive model developed by Miles, Huberman, and Saldana, which consists of three main stages: data condensation, data display, and conclusion drawing. Through this analytical process, the researchers identified recurring themes and patterns related to women's entrepreneurial activities, Islamic values in business practices, and their contributions to family welfare.

All participants were informed about the purpose of the study prior to data collection, and their participation was voluntary. Participants' identities were kept confidential, and all data were used solely for academic purposes.

Research Location

The study was conducted in Aceh Besar Regency, Aceh Province, Indonesia. This location was selected due to the presence of active women MSME actors in rural communities, where economic activities are closely linked to local cultural practices and Islamic values.

Population and Sample

Participants were selected using purposive sampling based on the following criteria: (1) women who own or actively manage micro or small-scale enterprises, (2) have been involved in MSME activities for at least one year, and (3) are willing to share their experiences.

A total of 12 women MSME actors participated in this study, representing several sub-districts in Aceh Besar Regency. Each MSME group was represented by two participants, including a group leader and a business owner.

Instrumentation or Tools

A primary tool for research in this study was a detailed interview framework, supplemented by observation forms and checklists for documentation. These tools were crafted to thoroughly investigate the contributions of female MSME leaders to family welfare, taking into account Islamic values and local cultural wisdom relevant to Aceh Besar Regency.

1. Interview Guide (Semi-Structured)

The interview guide was developed based on the research objectives and theoretical framework related to women's empowerment, MSME development, Islamic values, and local cultural practices. A semi-structured interview format was used to ensure consistency across participants while allowing flexibility to explore individual experiences in greater depth.

The interview questions were organized into several key thematic areas:

- a) Profile of Women MSME Actors, including type of business, duration of operation, educational background, and motivations for starting the business;
- b) Economic Role and Family Welfare, including contributions to household income, changes in income, and allocation of earnings for daily needs, education, and savings;
- c) Women's Empowerment in MSMEs, including access to training, financial resources, participation in decision-making, and challenges in balancing business and household responsibilities (Jabbour et al., 2010);
- d) Islamic Values in Business Practices, including the understanding and application of ethical principles such as halal practices, honesty, and transparency, as well as avoidance of riba and gharar;
- e) Local Wisdom and Social Values, including the influence of cultural norms, community support, and social relationships on business activities; and
- f) Challenges and Adaptation Strategies, including economic and social constraints and strategies used to adapt to changing conditions.

To ensure comparability across participants, all interviews followed the same core themes and guiding questions. At the same time, probing questions were used to clarify responses and encourage participants to elaborate on their experiences, allowing for richer and more in-depth data.

2. Observation and Documentation

Observation was conducted using a guideline to capture the real-life context of participants' business activities, including production processes, social interactions, and the integration of Islamic values and local wisdom in daily practices.

Documentation was used to complement interview and observational data, including business records (where available), photographs of business activities, and relevant local or administrative documents. The use of multiple data sources enabled triangulation and enhanced the credibility of the findings.

Data Collection Procedures

Data were collected through in-depth semi-structured interviews, observations, and documentation. Interviews were conducted face-to-face using an interview guide covering key themes, including: (1) women's roles in managing MSMEs, (2) contributions to household income and family welfare, (3) the application of Islamic values in business practices, and (4) challenges and opportunities faced by women entrepreneurs. Each interview lasted approximately 30–60 minutes.

Observations were conducted to understand participants' business activities and their socio-cultural context. Documentation, including business records and relevant local data, was used to support and validate findings. Secondary data were obtained from academic literature, official reports, and related publications.

Data Analysis

The data processing for this research involved several phases: (1) gathering data; (2) organizing and condensing the data, where the researchers highlighted, chose, and concentrated on crucial information relevant to the study themes while discarding unrelated data; (3) confirming and checking the data, during which the gathered information was structured and displayed to guarantee clarity and consistency; and (4) interpreting the data and drawing conclusions.

This research was carried out in two primary phases:

1. Research Preparation Phase
The researchers created interview guidelines based on the established research tools.
2. Research Implementation Phase

The researchers coordinated with participants on the timing and place for the interviews, which were carried out following the established guidelines.

Data were analyzed using the interactive model of Miles, Huberman, and Saldana, which consists of three main stages: data condensation, data display, and conclusion drawing (Hair et al., 2018).

During the data condensation stage, interview transcripts and field notes were systematically reviewed, coded, and organized based on emerging themes relevant to the research objectives. The data display stage involved presenting the organized data in thematic categories to facilitate interpretation. Finally, conclusions were drawn by identifying patterns, relationships, and recurring themes across participants' responses (Nierenberg et al., 2017).

This analytical approach was applied consistently throughout the study to ensure coherence between data collection, coding, and interpretation. To enhance the credibility of the findings, data triangulation was conducted by comparing information obtained from interviews, observations, and documentation. Member checking was also applied to verify the accuracy of the findings with participants.

Framework of Thought

Empowering women in MSMEs contributes to increased income, reduced poverty, and enhanced family welfare in accordance with Islamic principles.

Ethical Approval

Participants gave their informed consent. Confidentiality and anonymity were preserved.

Result and Discussion

The analysis of interview and observational data identified several key themes regarding the contribution of women-owned MSMEs to family welfare in Aceh Besar Regency. These themes were derived through coding and categorization of participants' responses and field observations. Three major themes emerged: (1) the contribution of women-led MSMEs to household income, (2) the role of MSMEs in strengthening household economic stability, and (3) the application of Islamic values and local wisdom in women's business practices.

First, participants reported that their involvement in MSMEs contributed to household income, particularly in meeting daily needs and supporting children's education. Several participants explained that income from their businesses, although relatively small, provided meaningful support for household expenses. One participant stated,

"The income from this business helps with daily needs, especially for food and my children's school expenses."

Another participant noted,

"Even if it is not much, it is very helpful because we do not rely only on my husband's income."

Field observations also indicated that women's business activities served as an additional and relatively stable income source within the household.

Second, participants described MSME activities as a way to strengthen household economic stability. Many participants emphasized that having a small business helped them cope with financial uncertainty and unexpected expenses. As one participant explained, *"This business helps us when there are urgent needs. At least we have something to rely on."* Another participant stated, *"Sometimes income from my husband is not enough, so this business helps us manage our finances better."* These findings suggest that MSMEs function not only as a source of income but also as a financial buffer in times of economic difficulty.

Third, participants highlighted the importance of Islamic values and local wisdom in shaping their business practices. Participants consistently emphasized honesty, trust, and the importance of ensuring halal products. One participant stated, *"We must be honest in selling, and make sure everything is halal so that customers trust us."*

In addition, local cultural values such as mutual cooperation (*gotong royong*) and community support were reported as important factors in sustaining their businesses. Field observations further showed that social relationships and community networks played a role in supporting women's entrepreneurial activities.

The Contribution of Women (Women's Share) to Enhancing Family Economic Status.

In this analysis, women's contributions are assessed by the percentage of income they provide, signifying the crucial role of their earnings in the family unit. Women are capable of fulfilling two responsibilities at once, taking part in income-producing activities outside the home while also handling domestic duties. Participants' accounts also indicated variation in the extent to which women contributed to total household income. These contributions were described in relative terms during interviews and later categorized to capture general patterns across participants.

Several participants from households with higher total income levels (above IDR 5 million per month) reported that their contributions accounted for a substantial share of household earnings, in some cases exceeding 40%. Similarly, participants from middle-income households (approximately IDR 3.1 to 4 million per month) also described relatively high levels of contribution, with many indicating that their income played a major role in supporting overall household finances.

In contrast, participants from lower-income households tended to describe their contributions as smaller in proportion, although still meaningful in meeting daily needs. Across cases, participants emphasized that even when their income was not dominant, it remained important for covering essential expenses and reducing financial pressure on the household.

These findings suggest that women's contributions to household income vary depending on the overall economic condition of the family, but are consistently perceived as important. Rather than being measured solely in numerical terms, participants framed their contributions in terms of their ability to support daily needs, education costs, and financial stability.

Strengthening Household Economic Stability

Participants described MSME activities as a way to strengthen household economic stability. Many emphasized that having a small business helped them cope with financial uncertainty and unexpected expenses.

As one participant explained,

"This business helps us when there are urgent needs. At least we have something to rely on." Another participant stated, *"Sometimes income from my husband is not enough, so this business helps us manage our finances better."*

In several cases, participants described situations where women's income became particularly important, especially in households with unstable or limited income from other sources. For example, some participants noted that in certain conditions, such as irregular employment or widowhood, women's businesses played a central role in sustaining household needs.

These findings indicate that MSMEs function not only as a source of income but also as a financial buffer during times of economic difficulty.

In this study, household economic status was assessed using the poverty line indicator published by the Central Bureau of Statistics (Badan Pusat Statistik—BPS). Specifically, this

study refers to the [Badan Pusat Statistik \(2024\)](#) poverty line data for Aceh Province, measured in Indonesian Rupiah (IDR) per capita per month. According to this source, the poverty line in Aceh is IDR 447,563 per capita per month.

To ensure comparability across households, total household income derived from women's earnings was converted into per capita monthly income by dividing the total monthly household income by the number of household members. Household size was therefore explicitly taken into account in the analysis, allowing income levels to be interpreted relative to the number of individuals supported within each household. Households with per capita income below IDR 447,563 per month were categorized as poor, while those above this threshold were considered non-poor.

Islamic Values and Local Wisdom in Business Practices

The analysis also revealed that Islamic values and local wisdom play a significant role in shaping women's entrepreneurial practices. Participants reported that their business activities are guided by Islamic ethical principles such as honesty, fairness in pricing, and avoiding interest-based financial practices (*riba*).

For example, one participant emphasized the importance of honesty in business transactions:

"In our business, we try to be honest with customers about the quality and price of the products. We believe that honesty brings blessings to our business." (Participant 2)

In addition to Islamic values, local cultural practices also influence women's business activities. Participants described how community support, cooperation, and trust among neighbors help sustain their enterprises.

"In our village, people often support each other's businesses. Sometimes neighbors help promote our products or become regular customers." (Participant 6)

These findings indicate that women's MSME activities are not solely driven by economic motivations but are also influenced by moral values and local cultural norms that promote ethical and socially embedded entrepreneurship.

To further contextualize the qualitative findings, additional descriptive data were examined using the poverty line indicator published by the Central Bureau of Statistics ([Badan Pusat Statistik, 2024](#)) for Aceh Province (IDR 447,563 per capita per month). These data were derived from participants' reported household income and should be interpreted as supplementary rather than as statistically representative findings.

The descriptive patterns indicate that a considerable proportion of households relying on women's income remain in economically vulnerable conditions, with many falling near or below the poverty threshold. This suggests that while women's MSME activities contribute to household income and financial stability, they may not be sufficient on their own to fully lift households out of economic vulnerability.

These findings complement the qualitative evidence presented in the Results section, where participants described their businesses as helping to meet daily needs and manage financial uncertainty. Together, these insights indicate that women-led MSMEs function as important economic support mechanisms, particularly in contexts where household income is limited or unstable.

These results align with earlier research highlighting the significance of institutional backing and policies that consider gender. From a management standpoint, the outcomes of this research hold crucial meaning for stakeholders, especially local governments and institutions that support micro, small, and medium enterprises (MSMEs) ([North, 1990](#)). They should create empowerment initiatives that aim not only to boost business capabilities but also to promote ethical business principles, awareness of Islamic finance, and the application of local resources. These findings provide context-specific

insights into women's entrepreneurship in rural Muslim communities and highlight the importance of integrating economic, cultural, and religious dimensions in MSME development.

Interpretation of Key Findings

The findings indicate that women-led MSMEs in Aceh Besar Regency function not only as supplementary income sources but also as important economic pillars within many households. Table 2 shows that a considerable number of women contribute more than 41% of total household income, indicating that women's economic participation plays a substantial role in supporting family livelihoods.

Several participants described how their business activities help sustain household finances. One participant explained:

"Through this business, I can help my husband manage our daily expenses. Sometimes the income from my business becomes the main support for the household." (Participant 5)

Another participant noted that women's businesses often help stabilize family finances when household income from other sources is uncertain:

"My husband's income is not always stable, so my small business helps us maintain our household needs." (Participant 8)

These narratives suggest that women's entrepreneurial activities contribute significantly to household economic stability. Based on the thematic coding of interview data, the researchers identified a recurring pattern indicating that women's income increasingly complements or, in some cases, temporarily replaces the primary income of other family members.

From an analytical perspective, this theme emerged during the coding process when multiple interview responses highlighted women's increasing involvement in income generation and household financial decision-making. While these findings may indicate gradual changes in household economic roles, the results primarily reflect participants' experiences of contributing to family income rather than a complete transformation of traditional gender roles ([Putra & Amran, 2023](#)).

Crucially, the study shows that just financial contributions do not completely account for improvements in household welfare. Instead, the incorporation of Islamic principles and local social norms seems to influence the connection between women's business ventures and family well-being. Ethical behaviors such as fair pricing, steering clear of interest-based loans, and following halal production guidelines build reputation and enhance consumer trust. This trust, rooted in shared religious beliefs and community standards, diminishes transactional risks and supports the sustainability of businesses over the long term.

These findings imply that in rural Muslim settings, entrepreneurship functions within a framework based on values rather than just market dynamics. The success of businesses does not solely hinge on access to financial resources or established management systems but is also heavily influenced by moral authority and social connections ([Gomes et al., 2023](#)). This strengthens the claim that informal institutions, especially those tied to religion and traditional customs, act as governance structures that shape economic activities.

Participants reported that women's economic participation in Aceh Besar Regency is often negotiated within existing socio-religious and cultural frameworks rather than through direct challenges to established norms. Several participants indicated that their involvement in MSME activities was widely accepted within their communities as long as they continued to fulfill their family responsibilities.

One participant explained:

"Running a small business is acceptable in our community as long as we still take care of our household responsibilities and follow Islamic principles." (Participant 6)

Another participant emphasized that community and family support played an important role in enabling women to engage in economic activities:

"My family supports my business because it helps our household, and it does not conflict with our religious values." (Participant 9)

These accounts indicate that women's entrepreneurial activities are often framed as complementary to their domestic roles rather than as a challenge to traditional gender expectations. During the thematic coding process, several interview responses highlighted the importance of community acceptance, religious values, and family support in shaping women's participation in MSMEs. Based on these patterns, the researchers interpret that women's empowerment in this context tends to occur through negotiation within existing socio-cultural and religious norms rather than through direct confrontation with them.

Another significant analysis relates to the reduction of poverty. Although more than half of the families depending solely on women's earnings live under the poverty line, women's business activities still play a vital role in stabilizing income and minimizing vulnerability. This indicates that women-led small and medium-sized enterprises serve as buffers in weak rural economies, boosting resilience even when absolute poverty levels are not immediately exceeded (Sivapragasam & Raya, 2018).

In summary, the results emphasize that the empowerment of women in MSMEs within rural Muslim communities is multifaceted: it includes economic contribution, moral acceptance, the building of social networks, and integration within institutions (Scott, 2014). The interaction among these aspects creates a tailored model of empowerment that goes beyond standard income-based evaluations of welfare improvement.

Comparison with Previous Studies

The results of this research align with earlier studies highlighting the financial impact of women-led MSMEs on family welfare, but they further enrich the conversation by incorporating Islamic financial principles and local cultural factors as key variables. Past investigations in rural Indonesia (for example Oktari & Sartiyah, 2020; Ramadani et al., 2023) generally viewed women's role in MSMEs mainly as a way to supplement income. These studies often characterized women as secondary economic contributors who bolster household security (Kaharuddin, 2021). In contrast, this study indicates that women in Aceh Besar often generate over 41% of their household's total income, implying a transition from being supplementary earners to becoming co-primary or even leading income sources. This finding calls into question the traditional portrayal of women as merely playing a supporting role in previous research.

From a theoretical perspective, conventional entrepreneurship literature typically identifies human capital, financial access, and institutional backing as vital factors affecting MSME success (Garba & Abubakar, 2019). Likewise, studies focused on sustainability (Paillé et al., 2014; Renwick et al., 2013) emphasize the importance of management systems and formal governance structures in promoting organizational resilience. While these factors are still significant, this research illustrates that in rural Muslim contexts, social legitimacy based on religious beliefs and local cultural practices can serve as equally crucial—or potentially more influential—elements driving business sustainability. This insight enriches institutional theory by showcasing how informal institutions, such as religion, social trust, and

customary practices, influence entrepreneurial results.

Moreover, research centered on Islamic finance (Afdalia et al., 2025) has noted that adherence to Sharia enhances moral accountability and social benefits. Nonetheless, much of this scholarship tends to be normative and conceptual. This current study contributes to this field empirically by showing how implementing Islamic principles—like avoiding *riba*, maintaining transparent pricing, and adhering to ethical financial practices—enhances consumer trust and supports the long-term sustainability of businesses. This empirical evidence helps connect Islamic economic theory with real-world entrepreneurial activities.

In contrast to global literature on change management, which emphasizes organized transformation methods and official leadership frameworks, this research reveals that rural women-led MSMEs function effectively within relationship-based governance rather than traditional bureaucratic management. The sustainability of these businesses relies less on formal strategic planning and more on family connections, community cooperation, and social reputation. This difference highlights the unique factors influencing entrepreneurial success in specific contexts and warns against the application of Western-centric management practices in rural non-Western areas.

Furthermore, unlike gender empowerment literature that often portrays women's entrepreneurship as a means of achieving personal freedom, this study advocates for a model of empowerment that emphasizes collective effort. In Aceh Besar, the economic involvement of women is not just about seeking individual independence; it is also a socially negotiated process embedded within religious and family frameworks. Thus, empowerment is realized not as a challenge to traditional values but as a transformation of gender roles within the accepted socio-religious context.

Overall, while earlier research has often focused on economic, managerial, or gender aspects in isolation, this study provides a more holistic analytical approach. By integrating economic contributions, Islamic financial principles, and local cultural contexts, it puts forward a contextualized empowerment model for women's MSMEs that is particularly significant in rural Muslim-majority areas. This perspective broadens the conversation beyond merely financial welfare indicators and highlights entrepreneurship based on values as an essential factor for sustainable family well-being.

Limitations and Cautions

Despite its valuable insights, this study has several methodological and contextual constraints that require careful consideration when interpreting the findings. Firstly, the qualitative case study approach allows for a deep understanding of the specific context, but it also limits the applicability of the results to areas beyond Aceh Besar Regency. The social, religious, and cultural attributes of Aceh—especially the establishment of Islamic norms—may be quite different from those in other parts of Indonesia or other Muslim-majority regions. Consequently, caution is necessary when extending these findings to urban settings or areas with distinct institutional frameworks.

Secondly, relying on self-reported data collected through interviews introduces the potential for social desirability bias, especially given the strong societal expectations regarding Islamic business practices. Participants might have highlighted their commitment to Sharia guidelines and ethical behavior in ways that reflect the ideals rather than their actual practices (Iskandar et al., 2019). Although efforts such as observation and documentation were used to address this concern, the inherent risk of subjective bias still exists in qualitative research.

Third, the research does not quantitatively assess key business performance metrics such as profit increase,

productivity levels, or market growth measures. Consequently, although the study indicates perceived economic impact and household income contributions, it fails to establish a clear link between the integration of Islamic values and quantifiable financial outcomes. Future investigations utilizing mixed-method or long-term quantitative approaches could improve the causal connections and add to the empirical strength.

Fourth, this research mainly examines women who are already participating in MSMEs, possibly missing out on those who have explored entrepreneurship but stopped due to external obstacles. This survivorship bias could result in an inflated view of the effectiveness of empowerment. Incorporating failed or ceased businesses in future studies would provide a more comprehensive picture of systemic issues.

Moreover, although this study emphasizes the beneficial aspects of local knowledge and religious principles, it does not thoroughly explore how these same principles might limit women's entrepreneurial freedom. Religious and cultural influences can serve as both supportive and restrictive forces. Applying a more critical gender-theoretical perspective could help clarify these complex interactions.

Lastly, the study's cross-sectional design examines empowerment at just one moment. The economic responsibilities of women and family dynamics are inherently variable and can change with market fluctuations, policy changes, and domestic situations. Longitudinal studies would be more effective in determining whether the empowerment effects observed are sustained over time.

In conclusion, while this study provides a contextually rich and integrated understanding of the empowerment of women-led MSMEs in rural Muslim environments, its results should be viewed in light of these methodological and contextual limitations. Tackling these shortcomings in future research would greatly enhance theoretical advancement and the applicability of policies.

Recommendations for Future Research

Future research could expand this topic through several strategic approaches. First, longitudinal studies would be valuable for examining whether women's economic participation in micro, small, and medium enterprises (MSMEs) leads to sustained changes in household decision-making dynamics over time. In this study, based on interviews with 12 women MSME actors from several sub-districts in Aceh Besar Regency, participants reported that their businesses contribute to household income and help support family needs such as daily consumption and children's education. Thematic analysis also suggests that many women apply Islamic values—such as honesty in transactions and fairness in pricing—as well as local practices of mutual support within their communities.

However, while the findings indicate that women's economic activities are associated with improvements in household financial stability, the present study does not examine whether these contributions lead to long-term changes in household authority, decision-making power, or intergenerational welfare outcomes. Future research could therefore employ longitudinal or mixed-method approaches to better understand how women's entrepreneurial activities influence family dynamics and economic resilience over time.

Additionally, future research employing mixed-methods or quantitative techniques should rigorously explore the correlation between the integration of Islamic values and observable business performance metrics, including revenue growth, accumulation of assets, and diversification in markets. Establishing statistical correlations would enhance the understanding of causality and offer comparative insights across different regions or nations.

Moreover, cross-regional comparative research is essential to assess whether the empowerment model recognized in Aceh Besar is specific to that context or can be applied to other Muslim-majority or mixed societies. Comparative approaches could analyze areas with differing levels of religious structuring to evaluate how formal Islamic governance affects entrepreneurial legitimacy and viability.

Furthermore, upcoming studies should adopt a gender-critical perspective to investigate the complex role of cultural and religious norms. While this research indicates that Islamic and local values act as supportive systems, they might also reinforce existing gender hierarchies. Examining these dual aspects would enhance the understanding of empowerment within socio-religious frameworks.

Lastly, additional research should look into aspects of digital transformation and financial inclusion, particularly how Islamic fintech, halal supply chains, and digital marketplaces can bolster women-owned MSMEs. As rural economies become increasingly digitalized, it will be essential to comprehend how value-driven entrepreneurship interacts with advancements in technology.

Conclusion

The findings of this study suggest that women-owned MSMEs in Aceh Besar Regency are perceived by participants as playing an important role in supporting household livelihoods and contributing to family welfare. Based on interviews with women MSME actors, participants reported that income generated from their businesses helps meet daily household needs and supports family expenses.

Participants also described their economic activities as contributing to a sense of financial stability within the household. In addition, several participants indicated that their involvement in MSMEs allowed them to participate more actively in household financial decisions, particularly in managing daily expenditures and supporting children's education.

These findings highlight women's economic participation as experienced and perceived by the participants, rather than as a direct measurement of broader outcomes such as poverty reduction or gender equality.

The study further indicates that the integration of Islamic values and local wisdom influences women's entrepreneurial practices. Participants described applying principles such as honesty, fairness in transactions, and community cooperation in managing their businesses. These values appear to support the sustainability of women's MSME activities and strengthen their acceptance within the local socio-cultural context.

Several participants also reported experiencing greater involvement in household financial decisions and increased confidence in managing economic activities. While these findings may suggest positive changes in women's roles within the household, the results primarily reflect participants' experiences and perceptions rather than direct measurements of gender equality or poverty reduction.

This study has several limitations. First, the research relies on a qualitative cross-sectional design with a limited number of participants from specific sub-districts in Aceh Besar Regency, which may limit the generalizability of the findings. Second, the study focuses on participants' reported experiences and does not quantitatively measure changes in poverty levels or gender equality indicators. Future research could employ longitudinal or mixed-method approaches to examine the long-term impacts of women's MSME participation on household welfare and gender dynamics (Sugiyono, 2017).

Author contributions

Rahmah Yulianti contributed to the conceptualization of the study, development of the theoretical framework, research design, supervision of data collection, and overall project administration. She led the writing of the original draft and conducted critical revisions to strengthen the theoretical positioning and analytical depth of the manuscript.

Abubakar contributed to data collection, field coordination, and qualitative data analysis. She assisted in data interpretation and participated in drafting the methodology and results sections.

Bukhari Usman was responsible for developing the literature review, synthesizing previous studies, and integrating Institutional Theory and Islamic Moral Economy perspectives into the analytical framework. She also contributed to manuscript editing and reference standardization.

Hafidh Maksum contributed to research instrumentation design, data validation processes (triangulation and member checking), and preparation of tables and supporting documentation. She assisted in revising the discussion and policy implication sections.

Anwar contributed to data documentation, transcription of interviews, formatting of the manuscript according to journal guidelines, and technical preparation of the submission files.

Filia Hanum contributed to formal analysis, conceptual refinement of the theoretical implications, and critical review of the manuscript. She/he also strengthened the comparative analysis section and ensured alignment with international publication standards.

All authors have read and approved the final manuscript and agree to be accountable for all aspects of the work.

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Conflict of interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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