# STRATEGY FOR INCREASING WELFARE BASED ON COMMUNITY EMPOWERMENT THROUGH MSME

(Village Case Studies Wadas, Subdistrict Kandangan, Regency Temanggung)

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#### Abstract

Society is a subject and an object that plays an essential role in welfare—community empowerment through MSME as a strategy to improve the community's interest in Wadas Village. The purpose of this study was to analyze and determine the improvement of the system and improvement of welfare based on community empowerment through Village. Kandangan MSME in Wadas Temanggung Regency. This type of research is descriptive qualitative with interview data collection methods centered on key informants administrators & the general public) and key noninformants (Village Heads) as primary data and the SOP manual for MSME empowerment as secondary data. The data analysis technique used SWOT analysis, and the results were entered into the IFAS, EFAS, and SFAS matrices. The results of this study are community empowerment through MSME can improve the welfare of the community in Wadas Village. The improvement strategy that can be taken is to support an aggressive policy or growth-oriented procedure by taking advantage of existing opportunities and internal strengths in community empowerment through MSME in Wadas Village, Kandangan District, Temanggung Regency.

**Keyword :**Welfare, Strategy,
Community
Empowerment, MSME

## INTRODUCTION

Pancasila and the 1945 Constitution of the State. In this case, society plays the subject and object of welfare itself. This means that the state exists because it was formed by the community, so the community itself must play a role in seeking prosperity and feeling that prosperity. This is because when individual well-being increases, people can lead healthy lifestyles, which enable them to develop personally and professionally, maintain a decent and quality life, and be able to fulfill the obligations of society well. A family is said to be prosperous if all of its material and spiritual needs related to its standard of living have been met (BPS, 2008). Based on the description above, the government has established several initiatives as a form of strategy to improve the general welfare of the community. One is an effort to empower the community's economy through MSME (micro, small and medium enterprises). Community empowerment is a movement that aims to give greater authority and autonomy to people in certain areas (Fahrudin, 2012). In its implementation, a collaboration between the government and the community must be built to realize this. Micro, small and medium enterprises (MSME) in Indonesia are increasing continuously. Not only has the number of units produced increased drastically but also the range of goods produced and the number of job opportunities open to the public. Increasing the number of micros, usaha mikro, kecil, dan menengah (MSME), particularly in rural areas, supports economic expansion and makes a significant contribution to new job creation and per capita income growth.

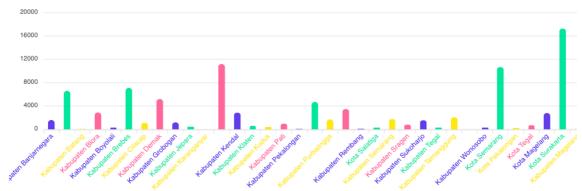


Figure 1. Statistics MSME Based on Turnover Source: satudata.dinkop-MSME.jatengprov.go.id/statistik/MSME

Figure 1. shows that Temanggung Regency has a pretty good turnover; this indicates that Temanggung Regency has an enormous potential for Micro, Small, and Medium Enterprises that have not been explored, one of which is a processing company.

People or business entities that are not subsidiaries or divisions of a larger company and fulfill the definition of a small business are called MSME. Non-subsidiaries and small business branches are not MSME, but they are owned, controlled, or affiliated with them in other ways, either directly or indirectly (Article 20 of the Indonesian Constitutional Law of 2008). The rapid development of micro, small and medium enterprises (MSME) also raises competition in the global economy. To face these challenges, a qualified and competent business owner is needed. This means that the community as a business actor is required to have the ability to process distribution, promotion, and preparation of a comprehensive MSME development strategy plan. One way to encourage quality community capabilities and competencies are through community empowerment strategies. Communities can be provided with training opportunities, guidance, and knowledge dissemination to improve their skills as part of an empowerment initiative, which can lead to job opportunities. In this regard, it is essential for government agencies and other government agencies to advise the

community to improve its welfare and quality of life. It is possible that the community or local government can assist in the empowerment process. Empowerment initiatives should be implemented in rural areas for the benefit of families and communities to develop. This program significantly contributes to the goal of creating a space or region to expand its business and minimize the number of unemployed individuals in the area. Due to the critical role of this corporation in the whole process of national economic growth, it not only contributes to economic expansion and job creation but also the distribution of development benefits. The reason is that Temanggung Regency has excellent potential in Micro, Small, and Medium Enterprises, including businesses engaged in the processing industry. This can be an opportunity as a place to empower the community to be developed and utilized to achieve public welfare in general.

The explanation above shows the close relationship between Strategy. Community Empowerment, and Welfare. As in Wadas Village, Kandangan District, Temanggung Regency, which supports the MSME program in the area. This is evidenced by the presence of 25 types of MSME and 198 communities who have joined as managers and administrators of MSME in Wadas Village. From this explanation, it can be seen that the condition of MSME in Wadas Village has the potential to develop. With the hope that it can become a forum for community empowerment and can have an impact on increasing welfare. Wadas Village is one of 16 villages located in Kandangan District, Temanggung Regency. Wadas Village is situated at 640M above sea level (asl). It is 5 km from the capital of the sub-district of Kanangan and 12 km from the capital of Temanggung district. Wadas Village has an area of 457.1 ha divided into 253.08 ha of rice fields and 204.02 ha of non-rice fields. Non-rice fields consist of upland buildings, rivers, state plantations, and people's plantations. Demographically, Wadas village consists of 12 hamlets: Gunung Kalong hamlet, Wonobodro hamlet, Tegalsari hamlet, Semawen hamlet, Samen hamlet, Groboh hamlet, Wadas Wetan hamlet, Wadas Kulon hamlet, Pacelukan hamlet, Jengkiling hamlet, Karang Sari hamlet, and Ngelo hamlet. The 12 hamlets comprise ten neighborhood units (RW) and 21 neighborhood units (RT). The population of Wadas village is 4,211 people, consisting of 2,084 male and 2,127 female residents. In the field of religion, the majority of Wadas villagers are Muslims, with a total of 4,161 people. In education, there are still many Wadas villagers who do not or have not attended school, with a total of 261 people. So it can be seen that in education, the villagers of Wadas are still in the development phase, with the hope that the higher the level of education, the higher the quality of society.

The majority of Wadas villagers make a living as farmers. But along with the times and with the support of the MSME program from the village government, the Wadas Village community expanded to MSME. The basis of MSME can be a place for community empowerment. Over time, the development of MSME in Wadas Village did not run smoothly. There are still many shortcomings that have resulted in achievements and products that have not been as expected. Thus, looking for strategies to empower the community through MSME in Wadas Village is essential.

The results of previous studies related to the Strategy for Increasing Welfare Based on Community Empowerment through MSME were used as a basis in the preparation of this research. One of them is a study conducted by Nuraeni (2018) which aims to see the region's potential, which is the locus of the des migration program to develop agro-industry-based MSME. The study used quantitative and qualitative analysis of primary and secondary data collected through filling out questionnaires and in-depth interviews. The results showed that most of the 111 villages that were taken as samples had abundant natural resource potential to develop agro-industry-based SMEs. For the success of the des migration program, a strategy is needed to be able to integrate programs across Ministries/Agencies by national priority programs. Optimizing the presence of local partners willing to work together to make the des migration program a success is the key to developing agro-industry-based SMEs in the enclaves

of migrant workers.

Nugroho & Andarini's research (2020) shows that in empowering MSME, a strategy is needed to prepare economic empowerment for MSME in the face of the Industrial Revolution 4.0 era. The MSME empowerment strategy can be pursued through the role of the Government in issuing fiscal and non-fiscal policies, the role of universities in carrying out services to educate and prosper the community, and the role of stakeholders in encouraging MSME to be more independent and innovative.

The results of Handoko's research (2013) show that the program for developing cooperatives (economic community cooperatives) and micro, small, and medium enterprises (MSME) has become a model for community development as a constructive strategy (building) and solutions (problem-solving) and transformative (potential processing and resources). resources) to achieve a more just and prosperous rural development community based on local wisdom.

Then Ardhiani et al. (2021) examined the phenomenon of MSME resilience during the Covid-19 pandemic with the ability to overcome challenges creatively, product innovation, human resource development, and online marketing. The results show that the existence of motivation and training shows an increase in the capacity of MSME actors to develop businesses and increase the income of the surrounding community.

So based on the background and support from previous research results, the research question in this study is how to improve the strategy for enhancing welfare based on community empowerment through MSME in Wadas Village, Kandangan District, Temanggung Regency. This research is limited to how the community empowerment program is implemented in Wadas Village, strategies for improving community welfare, and the potential to develop in Wadas Village.

## LITERATURE REVIEW

# Welfare

Prosperity can be seen as a simple equation for life. In 2008, the Central Statistics Agency (BPS) defined welfare as a scenario in which a family's physical and spiritual needs are met in proportion to their standard of living. If a person is happy, there is no shortage within attainable limits, and he is free from poverty and the threats that threaten him, he will believe that his life is prosperous. The Preamble to the 1945 Constitution states that the Indonesian government is responsible for promoting public welfare. The terms "general welfare" and "social welfare" are used interchangeably in the 1945 Constitution and Chapter XIV Preamble. (Fahrudin, 2012).

#### Community empowerment

Community empowerment that is people-centered, participatory, empowering, and sustainable is an idea in economic development (Mardikanto, Totok, and Poerwoko Soebiato, 2013), while Swift and Levin (in Mardikanto, 2010) describe their definition of business. Community empowerment is defined as a concept of economic development that includes social principles that are people-centered, participatory, empowering, and long-term sustainable. What is meant by "community empowerment" is the ability of vulnerable or weak groups to do the following things:

- a. Increase their income and buy what they need with the help of productive resources at their disposal.
- b. Participate in the development process and the decisions that will affect it, and mention efforts to restructure power through transforming social structures.

## MSME

People or business entities that are not subsidiaries or divisions of a larger company and fulfill the definition of a small business are called MSME. Non-subsidiaries

and small business branches are not MSME, but they are owned, controlled, or affiliated with them in other ways, either directly or indirectly (Article 20 of the Indonesian Constitutional Law of 2008). MSME" stands for Micro, Small, and Medium Enterprises. In the most basic sense, "MSME" refers to any activity carried out by people, organizations, small business units, or families, be it companies or commercial activities. As a Developing country, Indonesia has made micro, small and medium enterprises (MSME) the backbone of the country's economy.

## **RESEARCH METHOD**

The type of research used by the author in this study is descriptive qualitative to obtain better knowledge about social phenomena or phenomena by focusing on a holistic picture of the problem rather than breaking it down into related parts. This research was conducted in Wadas Village, Kandangan District, Temanggung Regency, from March to July 2022. This study used two data sources, namely primary data and secondary data. Preliminary data were obtained from interviews with key informants, namely the management of MSME and the general public, and non-key informants, namely the head of Wadas Village. At the same time, the secondary data in this study used the SOP guidebook for MSME empowerment. According to Afifuddin (2009), the author uses focused interviews as a research approach. Moleong et al. (2010) define research informants as people accustomed to providing information about the current state and condition of research. The data collection method in this study used observation, documentation, interviews, and literature studies with data validity testing techniques using source and method triangulation.

**Table 1. Definition and Operational Variables** 

Variable	Operational definition	Indicator	
Welfare	A family is said to be prosperous if all of	Income	
	its material and spiritual needs related	Housing and settlement	
	to its standard of living have been met	Education	
	(BPS, 2008).	4. Health	
Community	Community empowerment is a	Enabling	
empowerment	movement that aims to give greater	Enpowring	
	authority and autonomy to people in	Protecting	
	certain areas (Fahrudin, 2012).		
MSME	People or business entities that are not	1. Family	
	subsidiaries or divisions of a larger	2. Independence	
	company and fulfill the definition of a	3. Economic democracy	
	small business are called MSME. Non-	4. Togetherness	
	subsidiaries and small business	5. Sustainable	
	branches are not MSME, but they are	6. Environmentally	
	owned, controlled, or affiliated with	minded	
	them in other ways, either directly or	7. Balance progress	
	indirectly (Article 20 of the Indonesian	8. Fair efficiency	
	Constitutional Law of 2008)	National economic unit	

The author's data analysis technique in this study uses the SWOT analysis approach consisting of Strengths, Weaknesses, Opportunities, and Threats. As defined by Sugiyono (2015), qualitative analysis was used to analyze this study's data. This method includes data collection, reduction, presentation, and conclusion. This procedure can be applied using qualitative research techniques. The steps in conducting a SWOT analysis are the data selection and reduction stage, the data classification stage, and the conclusion stage. Later will be obtained two evaluations results, namely the evaluation of internal factors and external factors. Evaluation of internal factors consists of strengths and weaknesses. At the same time, the assessment of external factors consists of opportunities (opportunities) and threats

(threats).

Furthermore, the factors from the analysis results are entered into the IFAS (Internal Strategic Factor Analysis Summary) matrix for the effects on the evaluation of internal factors and the EFAS (External Strategic Factor Analysis Summary) matrix for the results in the assessment of external factors. The strategic factor analysis summary matrix, or SFAS (strategic factor analysis summary), is used to summarize the strategic aspects of the organization by combining external factors-EFAS with internal factors-IFAS. For a manager to run the 20 factors, IFAS and EFAS are considered too much to be used effectively in a strategy. So that the SFAS matrix provides guidelines for managers to condense these strengths, weaknesses, opportunities, and threats into just ten factors. The purpose of these results is that the authors can provide recommendations that can be carried out as a strategy for improving welfare based on community empowerment through MSME in Wadas Village, Kandangan District, Temanggung Regency.

# **RESULT AND DISCUSSION**

#### Results

Wadas Village is one of the villages in Kandangan District, Temanggung Regency. Wadas Village consists of twenty-one Neighborhood Units, ten Citizens' Pillars, and 875 Family Cards. Wadas Village consists of twelve hamlets, including Gunung Kalong, Wonobodro, Tegalsari, Semawen, Samen, Groboh, Wadas Wetan, Wadas Kulon, Pacelukan, jengkiling, Karang Sari, and Ngelo.

The land area of Wadas Village reaches 457.1 hectares. Wadas Village is 640 meters above sea level, 5 kilometers from the capital city of Kandangan District, and 12 kilometers from the capital city of Temanggung Regency. The geographical location of Wadas village in the north is bordered by Kandangan sub-district and Caruban village, in the east by Kaloran sub-district, in the south by Kedungumpul village, in the west by Kedungumpul village and Caruban village.

Wadas Village has an outstanding natural potential to be used as a welfare improvement strategy. With extensive agricultural land and plantations, it is one of the driving factors for the Wadas village community in developing their MSME. Farming and plantation products that can be used as raw materials and the availability of vacant land as a place for MSME to develop.

Consisting of twelve hamlets with extensive agricultural and plantation land, the Wadas village community has various MSME, such as Orchid cultivation, Robusta coffee cultivation, Tobacco seed cultivation, Robusta coffee production, Snack food production, Cassava chips production, Corn chips production, Handicraft production, Fashion vendors, Truck body repair and manufacture, car repair, motorcycle repair, Vegetable seed cultivation, Vanilla cultivation, Sound system production, Bamboo ladder production, Tobacco basket production, Shopping bag production, Furniture production, Ornamental plant cultivation, Cultivation bonsai, catfish cultivation, broiler chicken cultivation, laying hens cultivation, and brick production.

With the variety of MSME in Wadas Village, it can be seen that the community is starting to develop its business units. It is beginning from those utilizing large areas of land, raw materials from agricultural and plantation products, which are relatively easy to obtain, to using the skills or expertise of the community itself. For the topography, Wadas Village is a lowland with brown latosol soil types, some latosols are reddish brown, and the soil texture is loamy soil. Wadas Village is a village where most people make a living as farmers and laborers or employees. To clarify this, the authors present the following table.

Table 2. Data on the main livelihoods of the Wadas village community

No	Type of work	Male	Female	Total	Presentase (%)
1.	Farmer	580	605	1.185	30%
2.	Private sector employee	283	389	672	17%
3.	Builder	79	0	79	2%
4.	Businessman	103	95	198	5%
5.	Trader	19	21	40	1%
6.	PNS	9	9	18	0%
7.	TNI	6	0	6	0%
8.	Police	5	4	9	0%
9.	Teacher	19	20	39	1%
10.	Midwife	0	3	3	0%
11.	Nurse	0	2	2	0%
11.	Transport driver	40	0	40	1%
12.	Farm workers	275	41	316	8%
13.	Not yet or not working	80	39	119	3%
14.	Student	456	650	1.106	28%
15.	Housewife	0	118	118	3%

The table above shows that the number of farmers, private employees, and farm laborers is the highest, with 1,185 people (30%) for farmers, 672 people (17%) for remote employees, and 316 people (8%) for farm laborers. Furthermore, it is followed by people whose livelihoods are entrepreneurs who are intended as MSME actors, with a total of 198 people (5%). Having rice fields and plantations that are pretty extensive, it is not surprising that the people in Wadas Village are dominated as farmers. Some people with limited access to agricultural or plantation land work together with people who have land as cultivators or farm laborers. Along with education development, many people in Wadas Village, especially young people, make a living as private employees by relying on diplomas and educational expertise. On the other hand, the entrepreneurial spirit has also begun to develop, as evidenced by many people in Wadas Village as MSME actors. Public education will make people aware of the potential that exists. The availability of land and produce, coupled with the expertise possessed by the community, make people aware of the importance of empowering existing potential to become added value through MSME. Thus, it is only natural that MSME in Wadas Village developed well and began attracting a lot of public attention. The research location in this study was in Wadas Village, Kandangan District, Temanggung Regency, with the object of research being a strategy for improving welfare based on community empowerment through MSME. The research subjects are MSME administrators, the general public, and the Wadas village government. Wadas Village has twenty-five types of MSME with 198 owners and administrators. To clarify

this, the authors present the following table.

Table 3. MSME Data in Wadas Village

No	Type MSME	Owner	Manager	Total
1.	Orchid Cultivation	1	3	4
2.	Robusta Coffee Cultivation	15	17	32
3.	Robusta Coffee Production	3	6	9
4.	Snack Production	3	4	7
5.	Cassava Chips Production	1	4	5
6.	Corn Chips Production	1	3	4
7.	Handicraft Production	1	2	3
8.	Fashion Vendor	6	3	9
9.	Truck Body Repair and Manufacturing	1	4	5
10.	Car Repair	3	5	8
11.	Motor Repair	3	3	6
12.	Vegetable Seed Cultivation	2	8	10
13.	Vanilla Seed Cultivation	3	2	5
14.	Sound System Production	2	3	5
15.	Bamboo Stairs Production	3	0	3
16.	Tobacco Basket Production	4	0	4
17.	Shopping Bag Production	1	8	9
18.	Furniture Production	2	4	6
19.	Ornamental Plant Cultivation	9	0	9
20.	Bonsai Cultivation	3	0	3
21.	Catfish cultivation	4	0	4
22.	Chicken Cultivation	2	7	9
23.	Laying Chicken Cultivation	1	4	5
24.	Bricks Production	14	15	29
25.	Tobacco Seed Cultivation	2	3	5

# **Wadas Village Community Welfare**

Community welfare is one of the goals of the essence of national development. The level of community welfare reflects the quality of life of a household. A household with a high level of interest means having a good quality of life. In this study, the authors use four indicators to measure welfare: income, housing and settlements, education, and health. Income can be interpreted as the income level a person earns in working activities and is used to finance his life. Income is the leading indicator to determine the level of community welfare in Wadas Village. This means that the level of interest of the Wadas village community can be seen from the level of income. In this case, the benchmark is if the income earned is sufficient or greater than the cost of living; it can be said to be prosperous. Conversely, if the income earned is smaller or less than the cost of living, it cannot be said to be successful. From the results of research conducted by the author, it is stated that the people in Wadas Village, on average, already have sufficient income. This means that the community's average income is enough for the costs that must be used for their survival. Mainly for people's daily needs, such as buying staple food.

## **Community Empowerment in Wadas Village**

Community empowerment is defined as a program from the government to improve the community's ability to realize independence, create a prosperous society and release society from the chains of poverty to improve economic development where the goals of community empowerment are an institutional improvement, business improvement, income improvement, environmental improvement, life improvement, and community improvement.

In this study, the author uses three indicators of community empowerment. The first is Enabling, namely creating a situation that allows the community to develop. The

second is Empowering, namely strengthening the potential or power of the community by increasing its capacity. The third is protecting, namely building a protection system for the community that is being developed. The three indicators are intended to determine the condition of the concept of community empowerment in Wadas Village.

Various answers have been obtained from the results of research conducted by the author regarding community empowerment in Wadas Village. Of course, with multiple points of view of different informants, namely key informants and non-key informants. Where key informants are MSME administrators and the general public, non-key informants are heads of Wadas villages and informants from the village government's point of view. The first is the answers and statements from thirteen MSME administrators in Wadas Village as non-key informants. Where the authors get the results that the solutions from the MSME management regarding community empowerment through MSME, from one informant, the answers are almost the same, or there is not so much difference. The MSME administrators said, "So far, to my knowledge, there is no program from the village government to develop and support the potential in Wadas Village." Because the answers from thirteen MSME administrators in Wadas Village have similarities, the author assumes that these answers can already represent the answers of other MSME administrators.

The second is the answer from the general public in Wadas Village, who is also a key informant. There are thirteen answers from the general public who are also the head of youth organizations in each hamlet in Wadas Village. It is hoped that the thirteen general public can answer questions regarding community empowerment in Wadas Village and represent other general public. The results of the analysis of answers from thirteen general public stated the same as what had been said by the MSME management. The average response proves it: "I don't know whether there is a program from the Wadas village government regarding potential development and community empowerment."

The third is the answer from the Wadas village government as a non-key informant, which in this study was conveyed by the village head and the secretary of the village of Wadas. The answers from the village head and the Wadas village secretary are inversely proportional to what has been conveyed or the solutions from the MSME management and the general public. This difference in answers proves that things need improvement regarding Wadas Village's community empowerment. The village head and the Wadas village secretary said, "So far, there have been several programs implemented by the Wadas village government in community empowerment and developing potential in Wadas Village." Then continued with the answer, "Such as training in making bread and sewing with the advice of women in Wadas Village to increase productivity."

From some of the statements above, it can be seen that there are differences in what the MSME administrators and the general public feel about the views of the village head and village secretary. Then from the answers above, the writer analyzes what happened in the field. The head of the village and the secretary of the town of Wadas said, "For the publication of the program from the Wadas village government, namely through the administrators of the PKK because so far the program is for women." However, in reality, the publication did not reach the community, so the district did not know of any programs from the Wadas village government. This is evidenced by several statements from MSME administrators and the general public regarding community empowerment in Wadas Village.

# **Condition of MSME in Wadas Village**

MSME is an abbreviation for micro, small and medium enterprises. It means a business or business carried out by individuals, groups, small business entities, or households. In this study, there were twenty-five types of MSME in Wadas Village. Nine MSME principles are used as dimensions and indicators in this study. Namely, kinship,

independence, economic democracy, togetherness, sustainability, environmental insight, the balance of progress, fair efficiency, and national economic unity. This research aims to obtain information about the development of MSME in Wadas Village. Referring to the level of application of the nine principles of MSME as dimensions and indicators, they are used as benchmarks for the condition of existing MSME. Applying a good MSME principle will affect the sustainability of a healthy MSE development condition.

The authors get various answers from the results of research on MSME administrators, the general public, and village heads. However, in this section, the MSME management, as the critical informant, answered in more detail than other informants because the MSME management was more aware of the reality of events in the field. In its application of kinship, economic democracy, togetherness, and efficiency with justice, almost all MSME in Wadas Village, with more than one member, have implemented these principles. The reason is that in carrying out the sustainability of MSME, the management prioritizes a sense of family. This is because the MSME members are also the Wadas villagers themselves, so the closeness of a sense of kinship and togetherness will flow naturally. It is strengthened by various activities carried out by the MSME administrators, such as maintaining friendship between management, maintaining tolerance, and sportsmanship in work, and always prioritizing deliberation or discussion in determining a policy. As with considerations on MSME capital, capital is one of the critical factors in a business. The study results stated that the MSME management in Wadas Village made capital personally, meaning that in creating and running their business, the MSME management carried it out independently.

## **Discussion**

# **Evaluation of internal factors**

Strenghths

The aim is to analyze and describe the strengths of community empowerment through MSME to be developed for the future sustainability of MSME in Wadas Village. Based on the analysis of the results of the description of this study, there are several strengths in the strategy of improving welfare based on community empowerment through MSME in Wadas Village. Where later can be used as a foundation for future progress. The results of the analysis of the results of the description of the strength of community empowerment through MSME are as follows:

- 1. The level of welfare of the community in Wadas Village is classified as already prosperous, starting from adequate income, decent living conditions, higher awareness and education level, and better health conditions. This is one of the strengths that can be the foundation of the community in Wadas Village in developing and being productive to improve their welfare.
- 2. Wadas Village has an active and willing community to develop and improve its quality of life.
- Natural potential that can be developed as MSME. Many Wadas villagers are starting to realize and are interested in the importance of utilizing the existing potential through MSME. This can be seen from the number of MSME that already exist and are running.
- 4. The people of Wadas village have a relatively high educational background. Many young people continue their higher education after graduating from high school or the equivalent.
- 5. Government support in developing MSME in Wadas villages, such as several community quality improvement activities such as counseling, socialization, and training.

## Weakness

The aim is to analyze and describe the weaknesses of community empowerment in Wadas Village to minimize these weaknesses to maintain the sustainability of MSME development. Based on the description of the research results, there are several weaknesses with the increase in welfare based on community empowerment through MSME in Wadas Village. It is hoped that this weakness can be minimized later through strategies that can be implemented. The defects that can be identified are:

- 1. Lack of awareness of the younger generation to take advantage of local potential.
- 2. Village government programs that have not supported the development of MSME.
- 3. The production system is less efficient, so the production capacity is limited.
- 4. Education about MSME has not been maximized, both knowledge about how to develop a business, product innovation, operational management, and MSME business management.
- 5. Lack of understanding of digital marketing.

## **Evaluation of external factors**

# Opportunities

The aim is to analyze and describe opportunities or opportunities for community empowerment through MSME in Wadas Village. So, it is hoped that MSME can develop well through existing opportunities. The options that exist in Wadas Village are:

- Simplifying the one single submission (OSS) licensing procedure, lower licensing fees for small business establishments, and exemption from licensing fees for micro businesses.
- 2. Increasing business opportunities for MSME products with supply chain partnerships. In supporting the empowerment and development of MSME,
- Government support for capital accessibility by providing special allocation funds plus enabling MSME business activities to become collateral for accessing business financing credit.
- 4. Support for MSME exposure from the government to showcase their products in exhibition events, both virtual and national and international exhibition events
- 5. Ease of digital-based marketing that allows MSME to market its products and sell through existing marketplace platforms

From the explanation above, there are many programs from the government to support the empowerment and progress of MSME. This is an opportunity and opportunity for the Wadas village community to develop their business. In the future, it is hoped that the community will not miss out on information about existing programs. So that, in the end, the continuity of MSME in Wadas Village can be well sustainable.

#### **Threats**

The aim is to analyze and describe the threats that exist in the presence of community empowerment through MSME in Wadas Village. It is intended that these threats can be minimized so that the sustainability of community empowerment through MSME can continue to run stably and grow. From the analysis of the description of the research results, the authors get several possible threats that can disrupt the sustainability of MSME in Wadas Village, namely:

- The emergence of competitors with competitive products and prices. The emergence of MSME outside Wadas Village with good quality means that MSME is starting to understand more about the ways and strategies in running rate MSME.
- Increase in raw material prices. The price increase impacts production costs so that MSME has to increase the selling price but is faced with the possibility of a decrease in demand due to price increases.
- 3. The number of young people who are more interested in working in factories and offices
- 4. Increase in transportation costs which impact production costs and product

- delivery.
- 5. Uneven access to information. So many MSME do not get precise information about empowerment programs from the government.

SWOT analysis compares external opportunities and threats with internal strengths and weaknesses. The SWOT elements consist of strengths, weaknesses, opportunities, and threats. SWOT analysis compares the external factors of opportunities and threats with the internal aspects of strengths and weaknesses. Internal factors are entered into the internal strategic factor matrix or IFAS (Internal Strategic Factor Analysis Summary). External factors are entered into the EFAS external strategic factor matrix (External Strategic Factor Analysis Summary). After the matrix of internal and external strategic factors is compiled, the results are included in a quantitative model, namely the SWOT matrix, to formulate the competitive strategy of the organization or company.

IFAS and EFAS analysis is done by:

- 1. Enter the factors of strength and weakness in the IFAS/EFAS table column 1. Arrange five factors of power and five factors of weakness
- 2. Give the weight of each strategic factor in column 2 on a scale of 1.0 (significant) to 0.0 (not necessary). All of these weights do not exceed the total score = of 1.00. These factors are weighted based on the influence of strategic position
- 3. Give a rating in column 3 for each factor with a scale ranging from 10 (very strong) to 1 (weak), based on the influence of these factors on the variables analyzed. Positive variables (all variables that fall into the strength category) are given a value from 6 to 10 by comparing them to the average of the main competitors. While the negative variable is the opposite; if the weakness is substantial (compared to the standard of similar competitors), the value is 1, whereas if the weakness value is low/below the average of its competitors, the value is 5.
- 4. Multiply the weight by the value (rating) to obtain the weighting factor in column 4. The result is a weighting score for each element whose value varies from 4.0 (high) to 1.0 (weak).
- 5. Add up the weighted scores (in column 4) to obtain the total score of the weighted factors analyzed. This total value shows how the variables analyzed react to internal strategic factors.

Table 4. Results IFAS (INTERNAL STRATEGIC FACTOR ANALYSIS SUMMARY)

	Internal Strategy Factor (IFAS)	Weight	Rating	Score
	Strength			
1	The level of community welfare is relatively high.	0.100	6	0.600
2	Have the will and determination to develop to improve the quality of life.	0.113	6	0.678
3	The natural potential can be set as MSME.	0.105	6	0.630
4	A relatively high educational background.	0.093	8	0.744
5	Government support in developing MSME	0.097	8	0.776
	weakness			
1	Lack of awareness of the younger generation to take advantage of local potential.	0.097	2	0.194
2	Village government programs that have not supported the development of MSME.	0.095	3	0.285
3	3 A production system that is less efficient so 0.103 3 that production capacity is limited		0.309	
4	Not maximal education about MSME	0.101	4	0.404
5	Lack of understanding of digital marketing 0.096 2 0.1		0.192	
	Total	1.000		4.812

Table 5. Results EFAS (EXTERNAL STRATEGIC FACTOR ANALYSIS SUMMARY)

	External Strategy Factors (EFAS)	Weight	Rating	Score
	Opportunity			
1	Simplifying the one single submission	0.101	8	0.808
	(OSS) licensing procedure increases			
	business opportunities for MSME products			
	with supply chain partnerships.			
2	government support for capital accessibility	0.104	7	0.728
3	MSME exposure support from the	0.096	7	0.672
	government to showcase their products			
4	Ease of digital-based marketing	0.096	7	0.672
5	Simplifying the one single submission	0.100	8	0.800
	(OSS) licensing procedure increases			
	business opportunities for MSME products			
	with supply chain partnerships.			
	Threat			
1	The emergence of competitors with	0.105	2	0.210
	competitive products and prices.			
2	Increase in raw material prices.	0.101	2	0.202
3	The number of young people who are more	0.099	2	0.198
	interested in working in factories and offices			
4	Increased transportation costs	0.103	2	0.206
5	Unequal access to information.	0.095	1	0.095
	Total	1		4.591

Table 6. Results SFAS (STRATEGIC FACTOR ANALYSIS SUMMARY)

Factor SFAS	Weight	Rating	Score	Information
The level of welfare and public education is high enough to understand the pattern of MSME	0.095	6	0.570	Short-term
Willingness and determination to take advantage of local potential	0.103	6	0.618	Short-term
digital-based marketing education	0.092	3	0.276	Short-term
Development of MSME based on local potential	0.093	2	0.186	Short-term
Government support in the production system so that production capacity is limited	0.091	5	0.455	Long-term
Simplification of the one single submission (OSS) licensing procedure,	0.095	2	0.190	Long-term
Supply chain partnerships to reduce raw material prices and distribution	0.094	6	0.564	Long-term
The emergence of competitors with competitive products and prices that increase the competitiveness of MSME	0.146	2	0.292	Short-term
Government support for capital accessibility	0.095	6	0.570	Short-term
MSME exposure support from the government to showcase their products	0.096	2	0.192	Long-term
	1		3.913	-

Table 7. MATRIX RESULT DIAGRAM SWOT

IFAS EFAS	Strenghts (S)	Weaknesses (W)
Opportunities (O)	SO Strategy Government support in accessing one single submission (OSS) licensing, Strengthening digital-based marketing supported by the capacity of well-educated human resources	WO Strategy local-based MSME development with supply chain partnerships government support for MSME exchange and exhibition programs to better educate about the importance of MSME
Threats (T)	ST strategy Government programs for equitable access to public information High willingness and determination to innovate in the face of competition with competitive products and prices.	WT Strategy Improved digital marketing to cut transportation and distribution costs of raw materials and strengthen product marketing Strengthening an efficient production system so as to be able to produce products with competitive quality and prices.

#### CONCLUSION

The results of this study are in line with and support the results of previous research, namely, that the strategic program for improving welfare based on community empowerment through MSME can improve welfare. However, strategies are needed to encourage the program so that it can be maximized and general interest can be achieved in its implementation. The strategy that can be taken is to support an aggressive growth policy or the growth-oriented procedure by taking advantage of existing opportunities and the internal strengths of MSME namely by:

- 1. Strategies that use strength to take advantage of the opportunities owned by Wadas village are: strengthening government support in access to one single submission (OSS) licensing and increasing digital-based marketing supported by the capacity of well-educated human resources.
- 2. Strategy to minimize weaknesses to take advantage of current opportunities, namely by developing local-based MSME with supply chain partnerships and government support for MSME exchange and exhibition programs to better educate about the importance of MSME.
- 3. Strategies for using power to overcome emerging threats, namely using government programs, inequitable access to public information, and encouraging high willingness and determination from the Wadas Village MSME actors to innovate in the face of competition with competitive products and prices.
- 4. Strategies to create strategies that minimize weaknesses and avoid emerging threats, namely by accelerating digital marketing to cut transportation and distribution costs of raw materials and strengthening product marketing as well as strengthening efficient production systems so that they can produce products with quality and competitive prices.

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