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Community Economic Empowerment Strategy Through Development Policy

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Abstract
This study aims to analyze community economic empowerment strategies implemented through development policies in Cikeusik District, Pandeglang Regency. While Cikeusik District possesses significant local economic potential, it still faces challenges in optimizing community welfare. A descriptive qualitative research method was employed, utilizing data collection techniques such as in-depth interviews, field observations, and document analysis. The findings indicate that the government has established an economic foundation through the development of village road connectivity, agricultural and maritime production facilities, and free MSME licensing services, alongside the creation of economic institutions such as KUBE (Joint Business Groups) and BUMDes (Village-Owned Enterprises). However, these strategies have not yet optimally achieved sustainable economic self-reliance, largely due to the dominance of a top-down, short-term, and output-oriented approach. Key obstacles identified in the field include the fact that most BUMDes are effectively dormant, the strong grip of conventional middlemen networks, low levels of digital and financial literacy among local entrepreneurs, and weak horizontal coordination between agencies. The study concludes that there is a need to reorient strategies toward a participatory (bottom-up) model and strengthen multi-stakeholder synergy to transform local potential into resilient prosperity.
Keywords: *Economic Empowerment, Development Policy, Community.*

Introduction

Accelerating regional economic development in the era of autonomy requires a paradigm shift from mere physical growth toward inclusive, equitable prosperity. At both national and regional levels, the primary development challenge is no longer a lack of capital, but rather the inability of the grassroots economic sector to independently access productive resources (Soares et al., 2015). Systemic poverty and income inequality in rural areas often stem from the community's limited capacity to adapt to market changes. Consequently, regional development policies must be designed as stimulating instruments that position community economic empowerment as the primary driver for breaking the cycle of structural dependency (Syukri & Widiastuti, 2021).

The Pandeglang Regency Government has addressed this urgency by implementing a series of development policies aimed at strengthening the grassroots economy. Interventions undertaken include the distribution of business capital stimulus funds to Micro, Small, and Medium Enterprises (MSMEs) and the facilitation of business legalization through free product certification (Jamaluddin et al., 2018). Regarding capacity building, the local government through the Office of Cooperatives, MSMEs, Industry, and Trade periodically initiates training on micro-financial management and product diversification based on local commodities to enhance the value-added of rural produce (Muljanto, 2021).

In addition to non-physical interventions, the government integrates development programs by building infrastructure that supports economic connectivity. Tangible efforts are evident in the extensive repair of key village roads and the construction of bridges designed to reduce the logistics costs that have long burdened local producers (Pambudi et al., 2022). In the agricultural and marine sectors, the local government has distributed various forms of assistance, including agricultural machinery, the construction of secondary irrigation networks, and the provision of cold storage facilities for fisherfolk groups. These sectoral programs are collectively aimed at optimizing supply chains and accelerating capital turnover at the village level (Kartini et al., 2020).

The government has also pursued institutional strengthening strategies by revitalizing Village-Owned Enterprises (BUMDes) to serve as economic anchor institutions at the grassroots level. Through intensive mentoring, local governments encourage BUMDes to consolidate the community's flagship products and act as market aggregators (Ash-Shidiqqi & Indrastuti, 2022). Furthermore, the establishment of producer cooperatives and joint business groups (KUBE) continues to be facilitated to build the community's collective bargaining power against networks of middlemen. These policies are expected to create a self-reliant and sustainable local business ecosystem (Sriati et al., 2023).

However, the field implementation of these intervention programs reveals a significant gap between regulatory targets and the reality of economic self-reliance. Empirical evaluations indicate that empowerment programs often become trapped in ceremonial, short-term, project-based (output-oriented) approaches, lacking continuous, outcome-oriented mentoring (Hadi, 2009). Consequently, once government stimulus aid ends, the sustainability of community enterprises tends to stagnate, and productivity declines again due to limited control over market access across the upstream-to-downstream value chain (Tumpu et al., 2021).

Governance weaknesses are also characterized by the continued dominance of top-down approaches in determining the types of economic aid provided, resulting in a mismatch between programs and the actual needs of local communities (Ismalil, 2018). Sectoral egoism among aid-distributing agencies leads to overlapping targets for empowerment initiatives, where some groups receive multiple forms of assistance while others are overlooked. This phenomenon of regulatory misalignment and weak horizontal coordination results in low efficiency regarding development budgets and sluggish structural transformation of the local economy (Khasanah & Purwaningsih, 2021).

The discrepancy between implemented policies and the actual achievement of economic self-reliance underscores the need to reorient development strategies toward approaches that are more adaptive and grounded in community participation. This research is crucial for evaluating the effectiveness of existing development policies and formulating a new strategic model capable of overcoming structural obstacles on the ground. The study aims to generate evidence-based policy

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recommendations that local governments can use as a reference to draft more precise economic empowerment blueprints with long-term impact.

The dynamics and effectiveness of the economic empowerment policy's implementation are specifically analyzed with a focus on Cikeusik District, Pandeglang Regency. This area was selected because it represents the southern part of Pandeglang a region with abundant agrarian and coastal potential—where the local community nonetheless faces obstacles such as limited market access, low financial literacy, and high economic vulnerability. Through a case study in this district, the researcher aims to unravel how regional development policies are translated at the local level, identify the determinants of their success, and formulate practical recommendations. Based on this context, the research is titled: "Community Economic Empowerment Strategy Through Development Policy in Cikeusik District, Pandeglang Regency.".

Method

This study employs a qualitative method, as it is conducted in a natural setting; all data collected and analyzed are qualitative in nature, derived from direct observation of subjects in their environment, intensive interaction, and an effort to understand their interpretations of the world around them. The research site is specifically located in Cikeusik District, Pandeglang Regency, Banten Province. To obtain relevant and representative data, informant selection utilizes purposive sampling choosing actors who possess in-depth knowledge and rich information regarding community economic empowerment strategies implemented through development policies in the area. Data collection involves a combination of two primary approaches: (a) a literature review examining relevant literature, regulations, and policy documents; and (b) fieldwork involving in-depth interviews and direct observation of community economic dynamics in Cikeusik District (Basrowi, 2008).

To ensure the quality and accuracy of the findings, the researcher verifies and checks the consistency of all data obtained from the field. This verification process is crucial for objectively and systematically describing the data regarding the effectiveness of community economic empowerment strategies through development policies in Cikeusik District, Pandeglang Regency. Furthermore, data analysis is conducted continuously and simultaneously throughout the research process. This analytical stage involves a comprehensive examination of data from various sources ranging from in-depth interview transcripts and observational field notes to supporting documents which are then reduced and descriptively presented, culminating in the formulation of valid final conclusions.

Result and Discussion

Implementation of Development Policy for Community Economic Empowerment in Cikeusik District

The implementation of development policy in Cikeusik District, Pandeglang Regency, was designed as a strategic response by the local government to optimize local potential while alleviating economic inequality in the southern region. This policy shifts the community's role from mere passive observers of development to active participants driven by various economic stimuli. Structurally, the local government translates the policy direction of the Regional Medium-Term Development Plan (RPJMD) into sectoral programs that address the entire economic value chain, from upstream to downstream activities. This policy synergy aims to build a self-reliant rural economic foundation by integrating physical infrastructure development with human resource capacity building.

The first dimension of this policy implementation focuses on the construction and rehabilitation of physical infrastructure to enhance regional connectivity. Given Cikeusik District's geography—dominated by agrarian and coastal sectors the government has prioritized the improvement of main village roads and bridges connecting hamlets. Empirically, improving accessibility has successfully reduced transport times for goods and lowered logistics costs, which previously stifled local producers' profit margins. Adequate road infrastructure has ended the isolation of remote areas in Cikeusik, thereby facilitating the flow of agricultural and marine produce to markets at the regency and provincial levels.

In addition to road infrastructure, development policies also target the provision of production support facilities for the agriculture and fisheries sectors, which constitute the livelihoods of the majority of Cikeusik's residents. Through relevant agencies, the government has constructed tertiary irrigation networks to ensure equitable water availability for residents' rice fields. Furthermore, agricultural machinery and equipment such as two-wheel tractors and combine harvesters have been distributed to registered farmer groups. Physical interventions in the production sector directly improve farmers' work efficiency and help minimize harvest losses during the productive season.

In the coastal and marine sector given that part of Cikeusik borders the coastline the local government has provided support facilities to traditional fishing groups. This policy has been implemented through the provision of small motorized boat fleets and eco-friendly fishing gear, as well as the establishment of more hygienic fish auction facilities. These efforts are integrated with plans to provide micro-scale cold storage units to preserve the freshness of the catch prior to marketing. Through these interventions, the government aims to stabilize fish prices at the producer level, protecting fishermen from market speculation and exploitation by middlemen.

A second, equally crucial dimension of this development policy implementation is the business capacity-building program for local economic actors. The Cikeusik District government, in collaboration with relevant technical agencies, regularly initiates technical skills and business management training for Micro, Small, and Medium Enterprises (MSMEs). Training content focuses on product diversification using local raw materials—such as processing agricultural and fishery produce into high-value derivative products. This measure aims to shift the community's mindset from merely selling raw materials to becoming producers of value-added processed goods.

Business legality has also been a key focus of the non-physical interventions intensively facilitated by the government in recent years. Many micro-entrepreneurs in Cikeusik District previously struggled to access modern markets and formal financial institutions due to a lack of official permits. Addressing this challenge, the local government launched a proactive outreach program to facilitate the issuance of Business Identification Numbers (NIB) and halal product certification at no cost. This regulatory policy has successfully boosted the confidence of local MSME players and opened opportunities for signature Cikeusik products to penetrate broader, more competitive retail networks.

In an effort to strengthen social capital and the collective economy, this development policy also prioritizes grassroots economic institutional strengthening through the establishment of Joint Business Groups (KUBE). KUBE is designed as a platform for low-income community members to manage businesses collaboratively based on the spirit of mutual cooperation (gotong royong). The government channels group business capital assistance through this KUBE scheme, hoping to stimulate economic activity at the household level. Through this institution, community members learn to maintain simple financial records, share business risks, and build collective business partnerships.

Furthermore, a policy instrument acting as a new driving force at the village level is the revitalization program for Village-Owned Enterprises (BUMDes). The local government is encouraging every village in Cikeusik District to establish and activate Village-Owned Enterprises (BUMDes) to serve as anchors for the village economy. This policy is supported by capital injections from the Village Fund and guidance on institutional management and governance. BUMDes are mandated to act as aggregators collecting local agricultural produce, managing village market units, and even providing micro-banking services to facilitate financial transactions for residents in remote areas.

The government is also implementing a phased economic digitalization strategy through digital literacy support programs for the youth and business owners in Cikeusik. This policy is carried out via training on the use of social media and digital marketplaces (e-commerce) as channels for marketing local products. These interventions are designed to shorten lengthy supply chains, enabling producers in Cikeusik to connect directly with end consumers, bypassing intermediaries. Although implementation still faces challenges regarding network infrastructure, this move demonstrates the government's commitment to adapting the rural economy to the digital era.

The implementation of economic development policies in Cikeusik District demonstrates a comprehensive framework that addresses various fundamental aspects of the community. The integration of physical infrastructure development such as roads and irrigation with non-physical programs such as training for MSMEs, Joint Business Groups (KUBE), and BUMDes reflects the government's serious approach to designing empowerment strategies. These programs have provided a positive initial stimulus for local economic activity and created new productive opportunities for residents. The success of these policy instruments serves as a valuable asset for Cikeusik District as it moves toward a more resilient and sustainable stage of economic self-reliance in the future.

Analysis of Strategies and Obstacles to Sustainable Economic Self-Reliance in Cikeusik District

An analysis of the effectiveness of community economic empowerment strategies implemented through development policies in Cikeusik District reveals complex dynamics between program achievements and on-the-ground realities. Although the government has implemented various physical and non-physical programs, the essence of empowerment namely the creation of sustainable economic self-reliance has not yet been fully realized. This study identifies that the long-term success of these development policies remains hindered by structural, cultural, and bureaucratic governance obstacles. A critical evaluation of these barriers is crucial to ensure that future government interventions do not fall into the same cycle of program failure.

The most fundamental obstacle in the governance of economic empowerment in Cikeusik District is the dominance of a top-down policy-making approach. Various economic assistance and skills training programs are often designed at the regency level without undergoing a thorough bottom-up process to gather community aspirations. Consequently, the assistance provided often fails to align with the actual needs of the local community or the specific potential of individual villages. This normative approach leads to program misalignment, where the provided production tools or training types cannot be optimally utilized by the intended beneficiaries.

The weaknesses of this strategy are exacerbated by a program orientation that focuses merely on outputs or short-term projects, rather than on outcomes that prioritize long-term impact. Relevant local government agencies often consider an empowerment program complete once physical aid has been handed over or the closing ceremony of a training event has concluded. Intensive, continuous, and sustained post-training support schemes are rarely found in the field. Without periodic supervision and guidance, micro-entrepreneurs and community groups in Cikeusik tend to lose direction and revert to conventional business practices once the initial stimulus aid is exhausted.

Regarding village economic institutions, field analysis reveals that the majority of Village-Owned Enterprises (BUMDes) in the Cikeusik District remain dormant or are not yet operating optimally. Many BUMDes were established merely to fulfill administrative requirements to secure the disbursement of Village Fund allocations, lacking any sound business planning. BUMDes administrators generally cite a lack of long-term operational capital and a limited understanding of modern corporate governance. Consequently, these institutions intended to serve as village economic aggregators have failed to consolidate local flagship products or establish a collective bargaining position against the network of middlemen.

This situation directly impacts the trade supply chains for Cikeusik's key commodities such as those in the agricultural, plantation, and fishery sectors which remain dominated by conventional middlemen. The lengthy upstream-to-downstream marketing chain ensures that the largest profit margins from produce are captured by capital-holding intermediaries rather than by the local farmers or fishermen who act as the primary producers. Breaking this structural dependence on middlemen is difficult because they also serve as providers of quick loans (informal credit) when the community faces urgent financial needs. Meanwhile, formal financial institutions and government-supported cooperatives are perceived as having bureaucratic procedures that are too complex for residents in remote areas.

Local human resource capacity acts as a significant cultural barrier to accelerating economic self-reliance in Cikeusik District. Low levels of formal education and limited access to global information result in a lack of innovation and a limited ability among the community to adapt to modern market dynamics. This is evident in the lack of creativity regarding product diversification; most residents still sell their produce as raw materials without undergoing any value-added processing. A traditional mindset characterized by a preference for instant results and a reluctance to take risks on new business ventures poses a distinct challenge to the sustainability of empowerment programs.

These cultural barriers are compounded by low financial and managerial literacy among Micro, Small, and Medium Enterprise (MSME) operators in Cikeusik. Most independent business owners and Joint Business Groups (KUBE) fail to clearly separate household finances from business operating capital. Basic accounting practices are often neglected, making it difficult for them to accurately calculate net profits or plan for business expansion. These internal governance weaknesses render local MSME operators "unbankable" when attempting to access larger capital facilities from formal banking institutions.

In this era of technological transformation, limited communication network infrastructure and low digital literacy also create barriers for Cikeusik's economy. Although the government has attempted to introduce market digitalization strategies (such as e-commerce), implementation at the grassroots level remains sluggish. Remote areas within Cikeusik District still face unstable internet connectivity, which hinders smooth digital transactions. Furthermore, the reluctance of middle-aged business owners to adopt digital platforms means that online marketing initiatives are dominated by a handful of young people, failing to generate a significant, widespread impact on overall MSME revenue.

Furthermore, sectoralism and weak horizontal coordination among government agencies in Pandeglang Regency have led to overlapping implementation of empowerment programs in Cikeusik. Instances frequently arise where a single community group receives duplicate aid from different agencies, while business groups in other villages which are in greater need—are overlooked due to a lack of integrated data synchronization. This lack of alignment in sectoral regulations results in the wastage of the regional development budget and diminishes the effectiveness of interventions. The Cikeusik District government itself possesses limited authority and personnel to supervise and harmonize the various programs introduced in its area..

Environmental sustainability is often overlooked when formulating economic development policies for this southern region. Government-led strategies for agricultural intensification and the optimization of marine resources are sometimes implemented without accompanying education on mitigating long-term ecosystem damage. The excessive use of chemical fertilizers and non-selective fishing gear threatens to diminish the environmental carrying capacity upon which residents primarily depend for their livelihoods. These challenges underscore that economic empowerment strategies must not pursue financial growth targets in isolation; instead, they must integrate the principles of sustainable, green development.

A critical analysis of these obstacles suggests that future economic empowerment strategies in Cikeusik District require a fundamental shift toward a "Triple Helix" approach. This new strategy must foster harmonious multi-stakeholder synergy, involving the local government as a regulatory facilitator, the private sector as an investment partner that opens access across the entire supply chain, and academia or local institutions as providers of human resource capacity building. The government must transition from merely distributing material aid to acting as a facilitator of an inclusive, self-reliant business ecosystem, prioritizing the strengthening of local institutions such as cooperatives and active Village-Owned Enterprises (BUMDes).

Finally, while development policies to date have successfully established a physical foundation specifically infrastructure they have been less effective in

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fostering the economic self-reliance of the community. Addressing structural barriers such as the dominance of middlemen revitalizing BUMDes management, and improving the community's digital and financial literacy must be top priorities in future development planning documents. Only through strong political commitment, inter-agency policy synchronization, and by positioning the community as the central actor in development can economic empowerment strategies in Cikeusik District transform abundant local potential into tangible, resilient, and sustainable community prosperity.

Conclusion

The implementation of community economic empowerment strategies through development policies in Cikeusik District, Pandeglang Regency, has successfully laid an initial foundation using both physical and non-physical approaches. The local government has integrated connectivity infrastructure development such as the repair of key village roads and bridges to reduce logistics costs with the provision of agricultural and maritime production facilities, including irrigation networks and farm machinery. Meanwhile, non-physical interventions have been realized through capital facilitation programs, the provision of free business registration (NIB) services, and the establishment of village-level economic institutions such as Village-Owned Enterprises (BUMDes) and Joint Business Groups (KUBE). Overall, these programs have provided a positive initial stimulus, drive economic growth activity and creating new business opportunities for the grassroots community.

However, the effectiveness of achieving sustainable economic self-reliance in Cikeusik District remains hindered by various structural, cultural, and bureaucratic governance obstacles. A critical evaluation reveals significant gaps stemming from a dominant top-down, short-term (output-oriented) policy approach that lacks continuous mentoring schemes. This situation is exacerbated by the fact that most BUMDes institutions remain dormant, the community's heavy reliance on conventional middlemen for capital, the low digital and financial literacy of local MSME players, and weak horizontal coordination among government agencies, which leads to overlapping aid targets. Consequently, a reorientation of future development strategies is required shifting toward a more participatory (bottom-up) model based on multi-stakeholder synergy to transform local potential into self-reliant and resilient prosperity.

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