

Strategy for Empowering Micro, Small, and Medium Enterprises (MSMEs) Based on Local Potential

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Abstract

Community empowerment programs serve as strategic instruments for alleviating poverty and fostering rural economic self-reliance. This study aims to conduct an in-depth analysis of the implementation dynamics of community empowerment programs in Cikeusik District, Pandeglang Regency, and to map the factors that facilitate or hinder their effectiveness. A descriptive qualitative research approach was employed. Findings from the first section indicate that, while the implementation process proceeded structurally and bureaucratically through the *Musrenbang* (development planning forum), it suffered from information bottlenecks at the grassroots level and an actor disposition focused more on administrative compliance (outputs) than on sustainable impact (outcomes). Consequently, post-assistance monitoring weakened, leading to a phenomenon of business groups becoming dormant or inactive. The second section identifies abundant natural resources and strong social capital—specifically the spirit of *gotong royong* (mutual cooperation)—as key facilitating factors. Conversely, dominant inhibiting factors include the limited quality of human resources among program managers, meager capacity-building budgets, inter-agency sectoral ego, a community mentality of dependency, and damaged connecting infrastructure that drives up logistics costs. The study concludes that there is a need to reorient empowerment strategies—shifting from mere piecemeal material assistance toward a holistic, integrative approach that addresses issues continuously, spanning the entire value chain from upstream production to downstream marketing.

Keywords: *Policy Implementation, Community Empowerment, Facilitating Factors, Inhibiting Factors.*

Introduction

Inclusive and sustainable national development positions the strengthening of local communities as the central axis of change. In the context of contemporary development, the prevailing paradigm no longer views communities merely as objects or passive beneficiaries, but rather as active subjects who control their own living environments (Karsidi, 2001). A crucial strategy for realizing this is through community empowerment programs. Under this concept, government interventions aim to break the shackles of structural dependency by enhancing the community's capacity, skills, and

access to productive resources, thereby enabling social and economic self-reliance (Deswimar, 2014).

Conceptually, the success of a development program is largely determined by how the policy is implemented on the ground. Policy implementation is a critical stage in the public policy process, as it bridges the gap between ideal goals formulated on paper and empirical realities at the grassroots level (Adenansi et al., 2016). Without an effective, responsive, and adaptive implementation process, even a meticulously designed empowerment program risks losing its relevance and failing to achieve its intended objectives. Therefore, in-depth study of the dynamics of empowerment program implementation serves as a vital tool for mapping achievements and evaluating distortions that occur during the policy execution process (Noor, 2011).

Despite the government's massive rollout of empowerment programs, the phenomena of development disparities and high poverty rates in rural areas remain complex structural challenges in Indonesia. Many top-down empowerment programs often fail because they are not grounded in the real needs and unique characteristics of local communities (Habib, 2021). Interventions that tend to be uniform—failing to account for local sociological and geographical factors—often result in empowerment programs that amount to little more than ceremonial exercises. Consequently, substantial budget allocations have not translated into a commensurate increase in community economic self-reliance; thus, dependence on government stimulus aid remains high (Lalu, 2021).

Banten Province—specifically Pandeglang Regency—is one of the regions still facing significant challenges regarding the acceleration of public welfare and the utilization of local potential. Characterized by extensive agricultural and coastal areas, Pandeglang Regency is required to optimize empowerment programs to alleviate extreme poverty in its outlying areas (Syamsunarno et al., 2020). Integrated policy interventions, spanning from the regency level down to village administrations, are an absolute necessity. However, the reality on the ground reveals that infrastructure disparities and limited market access often isolate the economic potential possessed by communities in southern Pandeglang (Candarmaweni, 2020).

Cikeusik District, situated at the southern tip of Pandeglang Regency, holds a strategic position while simultaneously grappling with complex socio-economic issues. Most local commodities in Cikeusik originate from the agriculture, plantation, and capture fisheries sectors—areas with immense potential for development. Through various community empowerment programs—funded by Village Funds and other sectoral initiatives—the government aims to mobilize local-potential-based MSMEs and strengthen the economic institutional capacity of local residents. These measures are expected to stimulate the growth of the creative economy from the grassroots level.

Existing literature has extensively examined the theme of community empowerment from various perspectives. Some studies focus on the financial accountability aspects of such programs (Asmawati & Basuki, 2019; Setianingsih et al., 2022), while others emphasize the leadership role of village heads (Safitri, 2015; Ismail & Junus, 2019). However, a distinct research gap remains regarding how the integration of communication among various actors—including sub-district government officials,

village authorities, facilitators, and community leaders—influences implementation in geographically remote areas like Cikeusik. This study aims to address this gap by comprehensively analyzing the implementation process through a socio-bureaucratic approach.

Based on the aforementioned empirical and theoretical background, this study aims to conduct an in-depth analysis of the community empowerment program implementation in Cikeusik District, Pandeglang Regency, while identifying the factors that facilitate or hinder the process. The findings are expected not only to contribute theoretically to the fields of public administration and the sociology of development but also to provide actionable policy recommendations for the Pandeglang Regency Government in formulating an empowerment facilitation model that is more sustainable, participatory, and grounded in local wisdom..

Method

This study employs a descriptive qualitative approach and is situated in Cikeusik District, Pandeglang Regency, Banten Province. Informants were selected using purposive sampling, comprising district officials, village heads, village facilitators, and community members benefiting from the empowerment program (Sugiyono, 2022). Primary and secondary data were comprehensively collected through three main techniques: semi-structured in-depth interviews, direct observation of program activities in the field, and a documentary study of official reports and relevant regulations. Data analysis was conducted interactively based on the Miles, Huberman, and Saldana model as cited in Pasong (2020), encompassing stages such as data collection, data condensation, data presentation in the form of descriptive narratives, and conclusion drawing. To ensure the accuracy and validity of the field findings, the researcher applied source triangulation and technique triangulation. This process involved comparing and cross-referencing information derived from interviews with various stakeholders, formal government documents, and objective realities directly observed at the research site.

Result and Discussion

Dynamics of the Community Empowerment Program Implementation Process

The implementation process of the community empowerment program in Cikeusik District, Pandeglang Regency, represents a manifestation of public policy involving a network of multi-level actors. Structurally, the chain of command and division of roles are designed hierarchically: starting with macro-policy formulation at the Pandeglang Regency Government level, cascading down to relevant regional government agencies (OPD), distributed through the facilitation of the Cikeusik District Government, and finally executed by the Village Government. This top-down relationship pattern requires the lower echelons to be prepared to translate the policy's ideal objectives into concrete work programs that address the needs of rural communities.

The primary formal communication channels used to bridge the interests of these actors are the District Development Planning Deliberation (*Musrenbangcam*) and the Village Development Planning Deliberation (*Musrenbang Desa*) forums. These annual

forums serve as regular platforms for articulating interests, where empowerment proposals are gathered and aligned with available budget ceilings. Through these forums, efforts are made to integrate the Regency Government Work Plan (RKPD) with the Village Medium-Term Development Plan (RPJMDes) in the Cikeusik area, thereby preventing budgetary overlap in the financing of empowerment activities.

Although communication within the government bureaucracy is well-established, significant obstacles arise during the information transmission phase from village officials to the grassroots community. Observations reveal an information bottleneck that prevents the program from being disseminated evenly. Many potential target groups in remote areas of Cikeusik lack access to information regarding skills training, capital assistance, or economic stimulus programs; consequently, the principle of social justice regarding the equitable distribution of empowerment opportunities has not yet been fully realized.

This weakness in information dissemination is exacerbated by a heavy reliance on conventional face-to-face communication methods, such as announcements at the village hall or neighborhood association (RT) meetings. Village governments in Cikeusik District have not yet optimally utilized digital platforms or community-based social media to disseminate information regarding program transparency. Limited telecommunications signal coverage in certain geographical areas of Cikeusik has further restricted the scope for digital interaction, causing residents in remote areas to frequently lag behind regarding program developments.

The dynamics of implementation are also heavily influenced by the community's level of technical understanding regarding program regulations, which remains low. Local MSME players and farmer groups generally struggle to comprehend the technical guidelines and implementation guidelines issued by the government. The language used—often overly bureaucratic and rigid frequently leads to misinterpretation in the field. Consequently, the essence of the empowerment program—intended to foster self-reliance is often misunderstood by the community as merely a scheme for distributing free social assistance from the state.

Regarding the disposition or attitude of policy implementers, there is a duality in the commitment shown by officials at both the district and village levels. On one hand, they demonstrate a highly positive cognitive response and fully support the introduction of community empowerment programs. They recognize that economic intervention through empowerment is key to alleviating poverty and improving the Human Development Index (HDI) in the southern Pandeglang region, which is geographically isolated.

On the other hand, in practice, this positive commitment often becomes fixated on fulfilling formal administrative requirements or meeting output targets. Implementing officials tend to concentrate all their energy and resources on completing budget absorption procedures, ensuring timely aid distribution, and preparing accountability reports (SPJ). This overly bureaucratic work orientation obscures the policy's core substance: ensuring a transformation in the economic capacity and behavioral self-reliance of the target groups (the intended outcome).

This output-oriented phenomenon directly impacts the fragility of the post-distribution phase of empowerment programs in Cikeusik District. Once the stimulus aid whether in the form of capital or production equipment is symbolically handed over, the intensity of mentoring, monitoring, and evaluation by district officials and village facilitators drops drastically. Community groups are left to their own devices without periodic oversight to ensure the aid is managed productively and accountably, rather than being diverted to unrelated consumer needs.

The absence of a long-term oversight mechanism has led to a situation where many Joint Business Groups (KUBE) or farmer groups in Cikeusik have become dormant. These groups are often formed hastily, solely to meet the administrative requirements for accessing government aid. Once the stimulus funds are exhausted or the program concludes, operational activities cease entirely, leaving behind nothing but a signboard. This situation reflects a failure to internalize the values of self-reliance, which constitute the very essence of the empowerment concept itself.

Overall, the implementation dynamics of community empowerment programs in Cikeusik District are caught in a cycle of contradictions between bureaucratic structural readiness and functional weaknesses in the field. While policies are well-documented and funded through legitimate institutional structures, weak oversight capacity and non-inclusive communication distort their effectiveness. Therefore, it is imperative to restructure the mentoring approach making it more human-centric, sustainable, and grounded in fostering a self-reliant community mindset to ensure implementation does not merely become a perfunctory exercise to satisfy state budget obligations.

Factors Supporting and Hindering Program Effectiveness

The success or failure of community empowerment program implementation in Cikeusik District does not occur in a vacuum; rather, it is determined by the interaction of various factors. These factors operate simultaneously, acting either as accelerators that drive the achievement of policy goals or as structural obstacles that impede the progress of empowerment. Identifying supporting strengths and areas of weakness on the ground is a crucial step in formulating future program improvements, ensuring that local government interventions become more targeted and effective.

A primary supporting factor serving as the foundation for program implementation in Cikeusik District is its abundant and diverse natural resource potential. The region's characteristics combining fertile agricultural lands in the north with an extensive coastline in the south provide a commodity base with significant development potential. Key economic sectors for the community include rice farming, smallholder plantations, capture fisheries, and marine aquaculture. This abundance of local raw materials facilitates empowerment programs focused on the downstream processing of high-value-added products.

Beyond natural factors, the high level of social capital thriving within the Cikeusik community serves as a valuable positive catalyst. Local wisdom values such as the tradition of gotong royong (mutual cooperation), strong kinship ties, and respect for religious and customary leaders remain well-preserved. In the context of empowerment, this social capital eases resident mobilization during the formation of joint business

groups, the organization of group activities, and the conduct of village deliberations. Such strong social solidarity minimizes the potential for horizontal conflict among residents over access to program resources.

Regulatory support and financial certainty also constitute vital structural pillars for driving empowerment programs in the area. Central government affirmative policies, specifically the Village Fund allocation, grant each village in Cikeusik District the autonomy and budgetary flexibility to design empowerment programs tailored to local needs. This clear legal framework provides a sense of security for village officials to allocate a portion of their budgets toward strengthening residents' economic capacity, without having to rely constantly on the availability of stimulus funds from the Pandeglang Regency budget.

However, despite these potential advantages, the program's implementation in Cikeusik District faces a major obstacle: the limited quality of human resources (HR) responsible for execution at the village level. This classic issue is characterized by the low level of formal education among some village officials and managers of assisted groups, directly resulting in weak organizational management capabilities. Many program managers lack technological proficiency and struggle to prepare accountable financial reports; consequently, accountability reporting is often delayed, creating a risk of findings related to administrative violations.

This situation is exacerbated by limited budget allocations specifically dedicated to human resource capacity building. Community empowerment funds disbursed to date have largely been consumed by the procurement of physical facilities or the purchase of ready-made production equipment, without a corresponding, adequate budget allocation for sustained technical skills training. A lack of periodic training and insufficient financial literacy often leave beneficiary communities confused about how to operate the modern equipment provided, causing these assets to fall into disuse and remain unutilized.

Another structural obstacle is the prevalence of "sectoral ego" and poor inter-agency coordination within the government bureaucracy. Empowerment programs in Cikeusik District often operate in isolation, lacking cohesive integration among the Pandeglang Regency Agriculture Agency, the Marine and Fisheries Agency, and the Cooperatives and MSME Agency. Due to this lack of horizontal synchronization, guidance provided to community groups often overlaps with a single group receiving assistance from multiple agencies while other groups with potential are overlooked and receive no intervention.

Furthermore, a socio-cultural barrier in the form of a "dependency mentality" continues to affect some beneficiaries in Cikeusik District. A portion of the residents still views government empowerment programs merely as a means of distributing free money or goods, without recognizing any moral obligation to develop or sustain the initiatives. This passive mentality diminishes the drive and creativity of business groups; consequently, when faced with minor operational hurdles in the field, they tend to give up immediately and await further external assistance rather than seeking independent solutions.

Geographically and spatially, limited basic infrastructure acts as an external constraint that severely restricts the economic scope of empowerment initiatives. Many connecting roads between remote villages in Cikeusik District and the economic hubs of Pandeglang Regency or Banten Province remain in a state of severe disrepair. This poor accessibility drives up logistics and transportation costs significantly. As a result, processed goods from local Cikeusik MSMEs struggle to compete on price in external markets, and product marketing supply chains remain confined to the local level.

A lack of integrated market networks and the absence of guaranteed product off-takers complete the chain of obstacles faced on the ground. Empowerment programs to date have focused solely on upstream aspects training the community to produce goods while neglecting the far more crucial downstream aspect: where those goods are to be sold. Without strategic partnerships with the private sector or village-owned enterprises (BUMDes) acting as marketers, the economic cycle of these empowerment groups stalls due to the accumulation of unsold stock in residents' warehouses.

The effectiveness of community empowerment programs in Cikeusik District hangs in a precarious balance between immense local potential and formidable structural obstacles. Natural wealth and strong social capital among residents will remain untapped, latent assets unless matched by reforms in the human resource capacity of village bureaucracy and improvements in road infrastructure connectivity. Therefore, future intervention strategies must shift from piecemeal material aid toward a holistic, integrative empowerment approach one that addresses issues continuously, spanning the entire spectrum from upstream production to downstream marketing.

Conclusion

The implementation of the community empowerment program in Cikeusik District, Pandeglang Regency, has proceeded reasonably well from a structural and bureaucratic standpoint through the use of formal forums such as *Musrenbang* (Development Planning Deliberation). However, its effectiveness at the grassroots level remains hampered by information bottlenecks, limited technological literacy, and an implementation mindset among officials that prioritizes administrative compliance (outputs) over sustainable impact (outcomes). This situation has resulted in inadequate post-assistance support, causing many program-initiated joint business groups to become dormant due to the loss of guiding figures and a lack of direction for productive business management. The long-term success of the empowerment program in this region hinges on a dynamic tension between substantial foundational capital and significant structural-spatial obstacles. High levels of *gotong royong* (mutual cooperation) social capital and abundant natural resource potential (both agricultural and coastal) serve as key supporting factors that have yet to be fully optimized. Efforts to accelerate residents' economic self-reliance are impeded by dominant obstacles, including the low quality of village-level management personnel, strong sectoral egos among agencies, poor road infrastructure connectivity, and a lack of integrated downstream market networks.

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