Improving Local Economy Through Independent Enterprise Community (KUM): Rempung, Indonesia

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Abstract: The research aimed to determine the role of community microeconomic programs in local enterprise community in Rempung with qualitative research approach. The finding shows that the implementation of microeconomic programs channelled through the program of local enterprise community reflected in three pillars. First, KUM activities function as a forum that provides capital loans to local communities. Second, the KUM program is a place of learning to get training and coaching in the developed business units. Third, KUM activities as a forum to develop business partnerships. The significant impact of the independent business group (KUM) program launched by the government can (a) create job opportunities for the community, (b) develop their potential and (c) foster an entrepreneurial spirit.


Introduction

Economic growth as an indicator of a country's success is seen as having a vital value in the global society (Asyafiq, 2019). The growth needs capital (Kotler, P. & Keller, 2012). The implementation of economic activities that rely on the industrial and trade sectors is characterized by individual transactions against commodities of goods and services. Micro entrepreneurs as drivers of small and medium economic activities are required to be more creative in designing field strategies to meet market demand. The implementation of a targeted market strategy allows producers as business actors to compete to meet the needs of the community both on a local and national scale.

Currently, globalization in the industrial world has opened up new spaces for economic actors to facilitate access to social interaction. Globalization is characterized by a process that places individuals or communities in interconnectedness in all aspects of life both in culture, economy, politics, technology and the environment. The emergence of globalization allows for global market liberalism and national markets on the assumption that buying and selling flows in free markets, capital, and information flows will create better outcomes for the growth and
prosperity of society. Globalization enables people around the world to widely improve better economy; one of the most impacted is tourism (Basri et al., 2020, 2021; Zhang & Gao, 2016).

The launch of the national program of independent community empowerment by the government is an alternative step as a solution to improving people's living standards. The purpose of implementing this program is intended to grow and develop economic activities oriented towards small and medium enterprises. Conceptually, the implementation of PNPM Mandiri emphasizes more on increasing income equality to reduce income gaps between groups to gradually alleviate poverty in villages with relatively dense poverty levels.

Rempung village located in the Pringgasela sub-district is known as a multicultural community. This village has carried out various economic activities focused on industrial activities that lead to the empowerment of local community welfare. All economic values such as islamic economy and capitalism sect (Ilwanudin, 2017) have been implemented. The microeconomic program implemented by the Rempung community is one of the government programs distributed through independent business groups (KUM) engaged in household economics. Forms of economic activities with the KUM program include grooming, woven crafts, fish farming and weaving, and it drives potential economic growth (Fuadi et al., 2021; Syahputra, 2020; Yuli Rahmini Suci, 2008). The reason the government chose Rempung village as a pilot was due to the limited capital owned by the community for production costs. Limited capital owned by the community causes obstacles in the process of production flows to be distributed to consumers. The second reason is that the Rempung area is an area that has great economic potential supported by adequate sources of raw materials. The third reason is that Rempung village was once used as a small industrial centre with weaving and weaving so it is still possible to grow businesses on a larger scale.

The realization of the KUM program which is channelled through the fields of grooming, weaving, fish farming and weaving is facilitated by the government by providing capital loans. The form of loans is issued in the form of cash and tools that support production activities in the form of groups that have been divided based on their respective areas of expertise. The proportion of capital distribution provided by the government is determined following business volume and opportunity value so that the production of goods produced from each business group can compete under market demand. The financial aid from government for village is thought to be useful as the village has agricultural and cultural capital to improve economy (Karim, 2020).

In line with this, the positive impacts of implementing government programs through independent business groups (KUM) is proper. First, KUM can provide job opportunities for mothers and the community to develop economic activities (Kota et al., 2013; Putra, 2018) to minimize unemployment. Second, KUM is a potential small industrial activity because the community can develop their skills in the business field of interest. Third, KUM can shape the character of the community with an entrepreneurial spirit that can improve and change the welfare of life. Fourth, the KUM program launched by the government can be used as a new vehicle for small entrepreneurs to strengthen solidarity so that complete and unified business performance will be built.

From the brief description of the problems described above, through this investigation, the researcher wants to conduct a field study by focusing on the study on "the role of community
microeconomic programs in independent business groups in improving the economy of the community in Rempung village, Pringgasela district, East Lombok Regency in 2015”.

Research Method
Investigation of a study is an absolute thing that must be done by researchers. Before carrying out the research process, the determination of the type and design to be used needs to be considered. This is because the design to be used in research will greatly affect the results to be collected. The type of research used in this study is categorized into descriptive research using a qualitative approach. This type of research is intended to describe data on social situations that are natural. Research with a qualitative approach emphasizes a process of social events rather than results or products. According to this view, research involves fieldwork. Researchers physically connect with people, backgrounds, locations or institutions to observe or record behaviour in natural settings. The form of design used in this study is in the form of field studies. This was done to explore information about the role of community microeconomic programs in independent business groups in improving the community’s economy which will be implemented in Rempung village, Pringgasela district, East Lombok Regency. Researchers have conducted a study on the role and impact of community microeconomic programs on independent business groups in improving community economy which was implemented in June 2015.

This research data is primary data. Primary data is a sum of data obtained from the first source. Sources that can be used as informants in this primary data are people who are directly involved with KUM activities programmed in Rempung village, Pringgasela district, East Lombok. Secondary data is data that can provide information or information about the variables to be studied. Skunder data sources can be obtained from people, photos of activities, important notes and documents that can be used as references relevant to the issues raised. To get valid information from a study, researchers need to find informants who will be used as sources of information. In this study, the first step that must be done is to choose people who can provide information related to the issues raised in the investigation. The person selected as the information provided is based on criteria that can meet the data desired by the researcher. The informants used as sources in this study are; 1) the person in charge of KUM activities, the head of Rempung village, 2) the head of the hamlet, 3) and the community involved in the independent business group.

Data collection is done by interviews, observation and documentation. The analysis adopts three steps data reduction, data presentation, and conclusions.

Result
History and Profile of Rempung Village
Rempung Village located in Pringgasela District is a village originating from one Sumbawa-Taliwang ethnicity who settled in a settlement called Pringgasari. This village was officially formed in 1913, exactly 32 years before Indonesia proclaimed its independence. Along with the development of time, the people of Pringgasari opened new cultivation land which is often referred to as "gawah kesambik berempung." In this settlement, people began to settle and grow crops so it became a crowded settlement. On this basis, Kumudian by the
Dutch colonial government inaugurated a new village, namely Rempung village which was the definitive village and officially separated from the mother village, namely Pringgasari village. The reason the Dutch colonial government formed Rempung village was because the village was a village that was topographically very strategic to grow a better community economy.

As a new independent village, Rempung village has regional boundaries that can be seen in the following table:

**Table 1. Rempung Village Area Boundaries**

<table>
<thead>
<tr>
<th>No</th>
<th>Village Identity</th>
<th>Village Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No.1 Village</td>
<td>Village name</td>
</tr>
<tr>
<td>2</td>
<td>No.2 Village</td>
<td>District</td>
</tr>
<tr>
<td>3</td>
<td>No.3 Village</td>
<td>Regency</td>
</tr>
<tr>
<td>4</td>
<td>No.4 Village</td>
<td>Province</td>
</tr>
<tr>
<td>5</td>
<td>No.5 Village</td>
<td>Country</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regional Boundaries</td>
</tr>
<tr>
<td></td>
<td>1 North</td>
<td>South Pringgasela</td>
</tr>
<tr>
<td></td>
<td>2 West</td>
<td>East Masbagik Village</td>
</tr>
<tr>
<td></td>
<td>3 East</td>
<td>Anjani Village</td>
</tr>
<tr>
<td></td>
<td>4 South</td>
<td>East Sukamulia Village</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Area Size</td>
</tr>
<tr>
<td></td>
<td>468,879 ha</td>
<td></td>
</tr>
</tbody>
</table>


Economic and Educational Situation

Economic development and education for a village are benchmarks that become a strong foundation for a community to live. The economic condition of Rempung village as quoted from the source of village documents is classified as a productive village. This can be proven by the varied professions of society with diverse community commodities. This diversity of professions has brought the economy of Rempung village into an economy that can develop well.

The economy of Rempung village when viewed from Rempung village data for the 2014 period is dominated by farmers, laborers and traders. This means that Rempung village is a village that has great potential in driving the community's economy in entrepreneurship. The most widely traded forms of economic commodities of the Rempung community are rice fields and SMEs. The most prominent types of rice products as productive businesses of the community are rice, onions and garlic. Meanwhile, the results of SMEs occupied by the community are by setting up stalls that sell handicrafts and gastronomy.

Apart from the productive economic condition of the community, this situation is also supported by the relatively even level of public education ranging from teachers, civil servants, employees and mechanics. The number of people who work as teachers is 84 people, 82 civil servants, 100 employees and 54 work as mechanics. From this ratio, a conclusion can be drawn that the condition of Rempung village is a village that has the potential both in terms of profession and from its strategic regional location as a route for goods transactions.

To clarify the above statement, the following is a record of the quantity of economy and education of the people of Rempung.
Table 2. Economic and Education

<table>
<thead>
<tr>
<th>No</th>
<th>Area</th>
<th>Farmer</th>
<th>Laborer</th>
<th>Merchant</th>
<th>Teacher</th>
<th>State officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rempung Br</td>
<td>185</td>
<td>167</td>
<td>80</td>
<td>20</td>
<td>39</td>
</tr>
<tr>
<td>2</td>
<td>Rempung SI</td>
<td>183</td>
<td>104</td>
<td>45</td>
<td>23</td>
<td>14</td>
</tr>
<tr>
<td>3</td>
<td>Rempung BU</td>
<td>74</td>
<td>80</td>
<td>68</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>4</td>
<td>Rempung TU</td>
<td>109</td>
<td>94</td>
<td>73</td>
<td>22</td>
<td>10</td>
</tr>
<tr>
<td>Sum</td>
<td></td>
<td>552</td>
<td>445</td>
<td>266</td>
<td>84</td>
<td>82</td>
</tr>
</tbody>
</table>

Source: State of Economy and Education in 2014

From the data shown in the table above, it can be explained that the ratio that prioritizes the profession of the community is occupied by farmers with a total of 552 people and the lowest is occupied by civil servants with 82 people.

Population

Rempung Village, which since its establishment has been ruled by 8 village heads, has a varied population. This village has four districts, each of which is led by a hamlet head. The population of Rempung village according to 2014 data is 6,280 people. The total number of households in the village is 1,768 where the male ratio is 1,572 and 196 females. Rempung village population data seen from the population is a village that has a dense population. The potential of Rempung village is essentially a village with economic drivers. This can be seen from most of the residents of Rempung village who are farmers and traders. These two fields of livelihood, it has provided many colours for the welfare of the community, especially in meeting the needs of daily life.

To clarify this description, the following data on the number of Rempung residents was taken from population data in 2014.

Table 3. Population

<table>
<thead>
<tr>
<th>No</th>
<th>Area</th>
<th>Inhabitant</th>
<th>Head of Family</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Husband</td>
<td>Woman</td>
</tr>
<tr>
<td>1</td>
<td>Rempung BS</td>
<td>829</td>
<td>905</td>
</tr>
<tr>
<td>2</td>
<td>Rempung TS</td>
<td>632</td>
<td>660</td>
</tr>
<tr>
<td>3</td>
<td>Rempung BU</td>
<td>844</td>
<td>909</td>
</tr>
<tr>
<td>4</td>
<td>Rempung TU</td>
<td>631</td>
<td>870</td>
</tr>
<tr>
<td>Sum</td>
<td></td>
<td>2936</td>
<td>3344</td>
</tr>
</tbody>
</table>


1. The Role of Microeconomics in Independent Business Groups (KUM) in Rempung Village Loan for business capital

The implementation of microeconomic programs distributed through independent business groups in Rempung Village, Pringgasela District, is one of the government's programs to improve the community's economy. The implementation of the KUM program in the village is carried out by providing financial assistance to the community in groups. The amount of funds given to a group is adjusted to the type of activity carried out. In each group, the community has six to ten members in each business unit. The amount of funding for independent business groups is provided by the government through PKBM intermediaries as community learning centres.
The distribution of community KUM funds in Rempung Village by PKBM is given evenly. PKMB entrusted by the government as a facilitator in this activity is PKMB Al-Mujahadah Rempung. The amount of funds provided to each business group through PKBM ranges from ten million to 16 million. KUM activities facilitated by PKMB Al-Mujahadah are carried out to provide opportunities for each member as capital to drive community economic activities.

Government programs distributed to independent business groups (KUM) are principally to develop the economy of local communities. This is in line with what was expressed by M. Juddin, S.Sos leader of PKBM Al-Mujahadah Rempung as follows:

"The KUM program implemented by the government is currently the right step to build the economy of people with limited capital. The government as the initiator of this program makes strategic efforts in the form of providing financial assistance to the community to drive the economy. The government's focus on the KUM program is devoted to areas that have potential natural resources with the ability of people who are not financially capable. The amount of funds given to each unit of the independent business group is 10-16 million." (Interview on July 4, 2015)

The activities of independent business groups provided with financial assistance by the central government to the community are mostly intended for grooming businesses. The types of culinary activities facilitated by the government are cassava cakes and chips. The following is the result of an interview with one of the KUM members in Rempung Village with the initials "MR, S.Pd".

"The KUM program that we have developed is just a culinary system. This type of activity is by making cakes for sale. Our cake-making process is done based on market demand. The source of funds for making cakes is provided by the government in the form of capital loans that must be paid in monthly instalments."

(Interview on July 06 at the Informer's House)

From the excerpt from the interview conducted by the researcher with MR, the KUM activities provided by the government were realized in the form of a culinary business. Culinary activities practised by the community are processed based on the source of raw materials that support these activities. Examples of culinary businesses developed by the community such as cassava chips, and cakes lead to catering businesses. The amount of capital loans provided by the government is adjusted to the volume of business developed.

Provision of Coaching and Training

Microeconomic development efforts, especially in SMEs, are carried out by providing coaching and training. This is done considering the rapid flow of market competition with the entry and exit of the supply of goods and services. Coaching and training are principally carried out in the hope of increasing community improvement and can open job opportunities.

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PKMB Al-Mujahadah in carrying out its functions, facilitates community activities by presenting resource persons to provide training and coaching. The form of training provided focuses on the mechanism or process of making cakes that will be sold. The following is the result of an interview with PKMB leader Al-Mujahadah.

"Before the product will be marketed, the government first facilitates the community with skills. Skills provided by the government by presenting instructors to provide training on how the process of making products to be marketed. After training on how products are made, instructors also provide strategic steps to market the products made so that people can more easily run their businesses." (Interview on July 4, 2015)

The interview excerpt above can be understood that in building local community businesses, the government guides the form of training and coaching on how to run a business to support better community economic income. The provision of training and coaching is intended to help the community to improve the quality of individuals so that the community can process natural products independently. In addition to providing material on the product manufacturing process and market operation strategies, the government through PKBM provides tools that can support the process of making products to be developed. The following documents are photos and a brief interview with one of the respondents with the initials WS.

"To start product processing activities, we from the group were provided with cake-making tools from the government. The instructors taught us how to operate the tool. We were asked to take turns practising how to use the tool. In the learning process, we find it helpful so that we can later practice it at home.” (Interview on 07 July 2015 at the Informant's House)

Building Business Partners

Building business partnerships in economic activities is an absolute thing that must be done. Partnership in this context is defined as the existence of a business cooperation relationship between various parties that is synergistic. The form of business partnership practised by PKBM Al-Mujahadah in operating its business activities is by collaborating with various parties. The purpose of this activity is none other than to provide valuable benefits both from suppliers of goods and from recipients of goods. The places that are used as partners in this KUM activity are markets, stalls and lesehan. To reinforce this information, here are photos of interviews and informant descriptions

"To market the processed products produced, we work with people who allow our products to be sold. For example in the market, in stalls or stalls and even we establish cooperation with lesehan.” (Interview on July 06, 2015)
2. Impact of Independent enterprise community (KUM) in Rempung Village

The Independent Business Group that has been implemented in Rempung Village, Pringgasela District, has brought significant changes to the development of community businesses. The independent business group program has a positive impact that can be seen through the following studies:

Creating Job Opportunities

One of the positive impacts arising from the existence of KUM activities in Rempung Village, Pringgasela District, is the opening of job opportunities for local communities. The opening of this opportunity can be seen from the networking of community members who mostly do not have permanent jobs. The number of groups incorporated in this activity is divided into several business units whose members range from 6-10 people. The group size of the one-time program period is 7-9 groups. From this figure, it can provide a comprehensive conclusion that with the activities of KUM the government can provide job opportunities to the community to reduce unemployment.

To clarify the description above, the following are excerpts from the researcher's interview with M. Hairul Anwar, the person in charge of KUM activities in Rempung Village, Pringgasela District, as follows

"To reduce unemployment in a region, the government needs continuous creative efforts. One of them is with this KUM program. The KUM program as far as I have observed has contributed a lot to society, especially for those who do not have a job or are unemployed. They can be helped by providing this activity. This means that the presence of KUM can provide meaningful job opportunities for the community so that people can optimize themselves to get better job opportunities." (Interview on July 7, 2015)

The same thing was conveyed by one of the informants "RS" that the KUM program helped local people get job opportunities. Here's an excerpt.

"I find it helpful with this program. I can work with government assistance. I used to find it difficult to find capital. But with this program, I feel there is a relief to develop my own business. I also feel grateful for being given capital, so that I have a job opportunity like this." (Interview on July 06, 2015)

The concrete results of this KUM program can be seen from the emergence of small community stalls built on the roadside that trade processed products of the community. Business activities sold at these stalls are cakes, cassava chips, water, fried foods and other items that make money to meet daily needs.

Developing Self-Potential
The implementation of the KUM program entrusted by the government through PKBM Al-Mujahadah Rempung Village, Pringgasela District, has brought significant changes. Through the KUM program, local communities are facilitated with skills to boost their skills. The impact of the KUM program can simply bridge local communities to develop their skills. The presence of the KUM program among local communities has implications for the development and cultivation of community skills. With the KUM activities, the community is allowed to hone their skills by participating in a series of learning activities following the business orientation to be developed.

The following are excerpts from interviews with several informants who provided information about the KUM program.

"The KUM program has given me a lot of knowledge to develop my potential. KUM led me to real practice. KUM can boost my skills better."

(Interview with "Sl" on July 06, 2015)

"KUM is the right community activity to develop potential. I have attended training organized by PKBM to train myself in life skills. KUM can help me better optimize my potential."

(Interview with "N" on July 06, 2015)

From the results of interviews given by informants that the presence of KUM can help local people in improving their skills, especially how to process materials that will be used as goods for trade. As a result of the training and guidance provided by the government, people can open businesses individually both on the roadsides and directly jump into the market for sale.

3. Cultivating an Entrepreneurial Spirit

The independent business group program implemented in Rempung Village has fostered the spirit of business entrepreneurship. One concrete example that can be observed today is the emergence of small stalls that provide various kinds of processed activities for the local community, especially in grooming. The emergence of stalls that sell the results of community activities is an illustration of the existence of individual creations for business entrepreneurs. The spirit of this business hero can also be seen not only in the context of culinary but also in fish farming businesses such as lesehan.

The development of his special business in the microeconomy of the community in Rempung Village has grown rapidly along with the KUM program that has been programmed. People with their businesses open small stalls on the side of the road by selling various kinds of processed products. They buy and sell goods produced by themselves. This means positive changes with the development of productive community efforts.

Discussion

The local enterprise community (KUM), which is programmed to help accelerate the economic growth of the community, is a dynamic concept of the government's efforts in
realizing economic growth. The acceleration of economic development through KUM activities is thought to be able to boost the community's microeconomic efforts towards independence. The idea of an independent business group program for local communities in Rempung Village, Pringgasela District, plays a central role in growing skilled and entrepreneurial community economic businesses, and it needs to properly access (Fahrurrozi et al., 2022, 2023).

The role of microeconomic activities as channelled through KUM activities is realized in several pillars. First, the presence of KUM can be used as a forum for capital lending to develop community businesses. With the capital stock provided by the government, the community can accumulate business activities to be developed without being burdened with interest that must be returned. Local communities with this assistance feel helped so that they can carry out economic activities that can support their daily needs. The second role that can be seen from the implementation of KUM activities is as a vehicle for the community to learn. The government in launching KUM activities is accompanied by the provision of training and coaching. Training is directed at the process of how the procedure for making products to be traded. After the community is equipped with manufacturing knowledge, the community is then given guidance on how to market the product so that it can compete in the market. The third pillar of KUM activities educates people with entrepreneurial spirit, skills, and competitiveness. KUM activities educate local people to develop creative businesses based on their skills.

The expansion of the KUM program in improving the standard of living of local communities has a positive impact. One of the concrete impacts of the implementation of the KUM program is to create job opportunities. This, furthermore, is in line with tourism sector that generates economic benefits (Kurniawan et al., 2022; Ramli et al., 2022). The opening of job opportunities for local communities is realized by providing opportunities for the community to develop their businesses by being given skills to process their natural products and products so that the community can apply the skills to real practice.

In addition to creating job opportunities, KUM activities provide access to self-development by attending training to hone skills and talents following the products to be developed. Thus, there is better community optimism which ultimately leads to the creation of a competent and skilled entrepreneurial spirit. The emergence of buying and selling activities played directly by local communities is a tangible result of the KUM program provided by the government. With this activity, the community plays an active role in carrying out goods buying and selling transactions. Good transaction activities carried out by independent business groups are realized by building stands or small stalls on the roadside. This is done as a result of training and guidance provided by the government.

Apart from making stands or stalls that are used as a place for transactions, local people also carry out buying and selling of goods in the market. This is to expand business networks with wider microeconomic actors. In short, the presence of KUM as a government effort to help improve the standard of living of local people can be realized. This success can be observed in the emergence of independent individual businesses by processing natural products without having to rely on other parties.
Conclusion

The implementation of microeconomic programs channelled through the activities of independent business groups (KUM) is reflected in three pillars. First, KUM activities function as a forum that provides capital loans to local communities. Second, the KUM program is a place of learning to get training and coaching in the developed business units. Third, KUM activities as a forum to develop business partnerships. The significant impact of the independent business group (KUM) program launched by the government can (a) create job opportunities for the community, (b) develop their potential and (c) foster an entrepreneurial spirit.

Recommendation

From the elaboration of the findings of the research results contained in the conclusions above, researchers through this section provide recommendations in the form of suggestions as follows: The results of this study serve as study material for policyholders, especially the government to continue to promote microeconomic activity programs distributed through KUM. To the community, the results of these findings are expected for all communities to spur themselves and develop their potential so that they can improve their self-welfare, especially in fulfilling daily life. The results of this research are also expected to be a source of motivation to continue to strive to create creative ideas for more advanced business development. The results of this research data review, it is expected to be useful as reference material and additional references to the next researcher to explore the same information in depth related to the research raised.

Acknowledgment

We thank to all parties who support this research with abundant of data in the ground. To our colleagues, we will be more beneficial for future research.

References


