EMPOWERMENT OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) TO IMPROVE COMMUNITY ECONOMY IN NGAWI DISTRICT, NGAWI REGENCY

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Abstract- The purpose of this study is to describe the empowerment of Micro, Small and Medium Enterprises (MSMEs) to improve the community's economy in Ngawi District, Ngawi Regency. This research is quantitative descriptive. The population in this study were 50 micro entrepreneurs in Ngawi District, Ngawi Regency. This research is a population research with 50 respondents in this study. Data collection techniques using questionnaires, documentation and observation. Meanwhile, the data analysis in this study used a quantitative descriptive analysis.

The results of the study can be concluded that (1) that business capital assistance for MSME empowerment to improve the community's economy in Ngawi District, Ngawi Regency is good; (2) that assistance for infrastructure development in the context of empowering MSMEs to improve the people's economy in Ngawi District, Ngawi Regency is very good; (3) that assistance in the context of empowering MSMEs to improve the community's economy in Ngawi District, Ngawi Regency is very good; (4) that institutional strengthening in the context of empowering MSMEs to improve the people's economy in Ngawi District, Ngawi Regency is good; (5) that strengthening business partnerships in the context of empowering MSMEs to improve the community's economy in Ngawi District, Ngawi Regency is very good; and (6) that the empowerment of MSMEs to improve the community's economy in Ngawi District, Ngawi Regency is good.

Index Terms- empowerment, micro, small and medium enterprises, community econom improvement

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1. PRELIMINARY

In the current era, the condition of society is growing, especially as a result of increasingly advanced science and technology. As a result, the problems faced are increasingly complex, scientific and technological advances have an impact on various aspects of life, such as religion, social, culture, economy, politics, and so on. This shows that the implementation of the concept of development has changed the living conditions of the community. State and development are two elements that cannot be separated from one another. This is because a country in order to maintain its life always carries out development. In some communities, development has led them to a better life, but on the other hand development has actually increased unemployment and poverty. Development itself can be carried out through several aspects, such as economic development, social and cultural development as well as political development. However, development problems that often occur are economic development problems (Nadi Hernadi Moorcy, Matyani, Patmawati, 2018).

Development is a process of change towards progress that is carried out consciously and with direction and there is a connection in all aspects. Development is a continuation of improvement efforts achieved previously and continues what has not been implemented. Economic development is a process of increasing total income and capital income by taking into account population growth and accompanied by fundamental changes in economic structure by a country and equity for the population of a country. Economic development is inseparable from economic growth (Suharto, 2014).

Economic development encourages economic growth and vice versa, economic growth facilitates economic development. Economic activity is an effort to increase the power and standard of living of the people with increasing economic growth, so that people's needs will be fulfilled. To meet the needs of the community, jobs are needed that are able to absorb every existing workforce. Indonesia is a country full of natural wealth, which has not been able to maximize its potential. Communities are more required to develop the capabilities and potential that exist in themselves and in their respective areas so that their needs can be met (Rifa'i, 2012).

In empowering the people's economy, a country has an absolute obligation, therefore people's economic empowerment must be able to be implemented, because this is stated in the fifth precept of Pancasila, which reads "Social Justice for All Indonesian People". Talking about justice means guaranteeing all levels of society to enjoy prosperity together. The regional government as an

extension of the president makes various policies that have been previously reviewed, the aim of which is to promote general welfare which is part of the agenda of each cabinet. However, this problem has never been resolved, there are still many people who have not received the attention of the government and this is an indicator that the community has not been involved as the subject of national development. To achieve this goal, the people need to be equipped with capital, material and mental. These three factors are indicators of people's economic empowerment which later developed into issues for building an economic system with a populist economy pattern. Where the implementation of activities, supervision, and utilization, empowerment is carried out by the people.

Micro, Small and Medium Enterprises (MSMEs) are business activities carried out by individuals or groups that aim to prosper individuals and groups. Micro, Small and Medium Enterprises (MSMEs) have a strategic role in national economic development, as well as in the growth of the economy and workforce and the distribution of development results. Micro, Small and Medium Enterprises (SMEs) are seen as having good future prospects. The benefits of Micro, Small and Medium Enterprises (MSMEs) for the national economy include: opening jobs, becoming the largest contributor to the value of gross domestic product, one of the effective solutions for the economic problems of the small and middle class people. In planning a business, a study is needed regarding the feasibility of the business. To establish MSMEs, a feasibility analysis is also needed regarding the factors or aspects that can influence the possibility of success (like) implementing the idea of a business (Murdani, Widayani, 2019).

Micro, Small and Medium Enterprises (MSMEs) in Indonesia have a very important role, especially in terms of creating job opportunities. This is based on the fact that the number of labor force in Indonesia is very abundant following the large population so that Large Enterprises (UB) are unable to absorb all job seekers from the inability of large businesses to create large employment opportunities due to the fact that in general these business groups are relatively dense capital, while MSMEs are relatively labor intensive. In addition, in general, large businesses require workers with high formal education and sufficient work experience, while MSMEs, especially small businesses, have low-educated workers (Tambunan, 2015). While the benefits of Micro, Small and Medium Enterprises (MSMEs) for the regional economy are increasing income, empowering the community, gaining entrepreneurial experience, reducing unemployment, strengthening a sense of togetherness, developing community potential, developing pre-existing businesses, and growing a sense of wanting to progress and so on.

The Micro, Small and Medium Enterprises (MSMEs) sector has an important role in driving Indonesia's economic growth. MSMEs contribute around 87% to a number of business entities in Indonesia and have a share of 85% in employment. In line with the spirit of nawacita, the government seeks to increase people's productivity and international competitiveness, as well as foster economic independence by weighting strategic sectors of the domestic economy. With the existence of the MSME sector, unemployment is due to a labor force that is not absorbed in the world (Nadi Hernadi Moorcy, Matyani, Patmawati, 2018).

Micro, Small and Medium Enterprises (MSMEs) are the most important pillars in the Indonesian economy. Based on data from the Ministry of Cooperatives and SMEs, the number of MSMEs currently reaches 64.2 million with a contribution to GDP of 61.07% or a value of 8,573.89 trillion rupiahs. The contribution of MSMEs to the Indonesian economy includes the ability to absorb 97% of the total existing workforce and can collect up to 60.4% of the total investment. (http://peran-umkm-terhadap-economy.html.)

As one of the pillars of the Indonesian economy, MSMEs have a significant role as follows: (http://peran-umkm-terhadap-pereconomic.html.)

1. MSMEs have a large contribution to GDP, namely 61.97% of the total national GDP or equivalent to Rp. 8,500 trillion in 2020.
2. MSMEs absorb a large number of workers, namely 97% of the absorption capacity of the business world in 2020. The large number of MSMEs is directly proportional to the large number of jobs in Indonesia so that MSMEs have a large share in employment.
3. MSMEs absorbed the largest credit in 2018 of approximately Rp. 1 trillion

There are several reasons that put forward the importance of MSMEs for the national economy:

1. The number of MSMEs is very large and spread in urban and rural areas and even in remote corners.
2. MSMEs are classified as very labor-intensive, have the potential for large employment growth opportunities and increased income.
3. There are many MSMEs in the agricultural sector which indirectly support development.
4. MSMEs help in accommodating many workers who have low levels of education.
5. In conditions of economic crisis, MSMEs are able to survive, as happened in 1997/1998.
6. Become the starting point for investment mobility in rural areas as well as a place for increasing entrepreneurial capacity.
7. Become a tool to divert the consumption expenditure of rural residents into savings.
8. MSMEs are able to provide goods relatively inexpensively.
9. Through various types of investment and investment, MSMEs are able and quickly adapt in the progress of the times.

10. Has a high degree of flexibility.

Against the background of all the reasons above, of course the government always supports the progress of MSMEs in our country. All efforts are made by the government so that MSMEs can progress and develop so as to contribute to the economy, become a means of equalizing the economy of the common people, a means of alleviating poverty, and a means of earning foreign exchange.

Ngawi Regency, which is the object of this research, has many potential MSME products, which include the production of tempeh chips, chicken and quail eggs, food businesses, catering and wood crafts, and so on. However, these leading businesses have not fully met the needs of the community, so a strategy is needed to improve the economy through MSMEs. Based on the Regional Regulation of Ngawi Regency Number 22 of 2012 concerning the Empowerment and Protection of Micro, Small and Medium Enterprises, what is meant by Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria of Micro Enterprises; Small Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or not branches of companies that are owned, controlled, or become part either directly or indirectly of Medium or Large Businesses that meet the criteria for Small Business. Small; Medium Enterprises are productive economic enterprises that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become part of either directly or indirectly with Small Businesses or Large Businesses with total net worth or proceeds annual sales as regulated in this Regional Regulation.

There is a need for economic empowerment of Micro, Small and Medium Enterprises (MSMEs) in Ngawi Regency, because it has not been fully maximized in developing the economy in Ngawi Regency itself. It is known that the condition and potential of micro-enterprises owned by Ngawi Regency Micro, Small and Medium Enterprises (MSMEs) can be developed for the better by the local government. The problems faced by Micro, Small and Medium Enterprises (MSMEs) in Ngawi Regency are related to capital and marketing of their processed products.

Based on the background of the problem and understanding of the problem above, the problem in this study can be formulated as follows: How to empower Micro, Small and Medium Enterprises (MSMEs) to improve the community's economy in Ngawi District, Ngawi Regency? While the purpose of this study is to describe the empowerment of Micro, Small and Medium Enterprises (MSMEs) to improve the community's economy in Ngawi District, Ngawi Regency.

2. RESEARCH METHODS

1. Type of Research

According to Suharsimi Arikunto (2013) quantitative research methods are: "Quantitative research, as the name implies, requires a lot of numbers, starting from data collection, interpretation of the data, and the appearance of the results. Descriptive research according to Sugiyono (2017), is: "This descriptive research method is carried out to determine the existence of an independent variable, either only on one variable or more (stand-alone variable or independent variable) without making comparisons of the variable itself and looking for relationships with other variables .

2. Variable Operational Definition

This study discusses the variables, empowering MSMEs to improve the community's economy. The variable indicator of MSME empowerment to improve the community's economy is taken from the opinion of Sumodiningrat (2010)

a. Capital Assistance
b. Infrastructure Development Assistance
c. Assistance Assistance
d. Institutional Strengthening
e. Strengthening business partnerships

3. Study Population

In connection with the problem under study, first it is necessary to understand what is meant by population. Sutrisno Hadi (2010), population is "Individuals as a whole who will be the target of a study that is not only human but can be in the form of tools, conditions or places and or so on". Meanwhile, based on the opinion of Sutrisno Hadi (2012), the population in this study were 50 MSME entrepreneurs in Ngawi District, Ngawi Regency.

4. Data Collection Techniques

Technique is a specific way to achieve a particular goal. A technique consists of regular and orderly activities, based on provisions so that it is a way to achieve a goal. In order to obtain data that can really support problem solving, the data collection techniques used are:

a. Observation

According to Hadari Nawawi (2010), observation is defined as "As a systematic observation and recording of the symptoms that appear on the object of research. Direct observation is made of the object where the event occurred or is taking place, so that indirect observation is an observation made not during the event to be investigated.

b. Documentation

According to Suharsimi Arikunto (2013), "Documentation is finding data about things or variables in

the form of notes, transcripts, minutes of meetings, agendas and so on".

c. Questionnaire

Questionnaires according to Suharsimi Arikunto (2013) are "a number of written questions that are used to obtain information from respondents in the sense of personal reports or things that are known".

5. Data Analysis

Before being examined further in data management, data that has been collected from several sources, namely distributing questionnaires, documentation or observations in the form of notes in the field, must be analyzed first. With the aim of grouping these data through analytical methods by compiling and processing the collected data to draw conclusions towards a truth that can be accounted for. According to Masri Singarimbun and Sofian Effendi (2009:263) what is meant by data analysis is "The process of simplifying data into a form that is easier to read and interpret". So the process of data analysis is the systematic arrangement of data from the results of observations, distribution, questionnaires, interviews, observations, through direct observation on location, documentation, and other materials that are collected and ultimately grouped in order to facilitate the understanding of research results to others. Meanwhile, according to Nawawi (2009: 100), data analysis is "grouping data in order to manipulate data so that it is easy to read." Based on the objectives and types of research put forward, the data analysis used in this research is descriptive analysis.

For data interpretation using a measurement scale that has been using a Likert scale. According to Sugiyono (2010: 93), the Likert Scale is used to measure attitudes, opinions and perceptions of a person or group of people about social phenomena. For each answer choice given a score, the respondent must describe, support the statement. To use the selected answer. With a Likert scale, the variables to be measured are translated into variable indicators. Then these indicators are used as a benchmark for compiling instrument items which can be in the form of questions or statements.

3. DATA ANALYSIS AND DISCUSSION

Community economic empowerment through Micro, Small and Medium Enterprises (MSMEs) plays an important role in development and economic growth, not only in developing countries (NSB), but also in developed countries (NM). In developed countries, MSMEs are very important, not only do these business groups absorb the most labor compared to large businesses (UB), as is the case in developing countries, but also their contribution to the formation or growth of gross domestic product (GDP) is the largest compared to contributions from big business.

In an effort to improve the standard of living of the community, an empowerment pattern that is right on target

is needed. The right form of empowerment is to provide opportunities for poor groups to plan and implement development programs that have been determined.

From the research results obtained from distributing questionnaires about MSME empowerment to improve the community's economy for MSME actors, the results are as follows.

1. Indicators of Business Capital Assistance

Table 1
Business Capital Assistance in the context of empowering MSMEs to improve the Community Economy in the District of Ngawi,
Ngawi Regency

Category	Number of Respondents	Percentage
Very Good	7	14.0
Good	33	66.0
Enough	6	12.0
Less	1	2.0
Very Less	3	6.0
Total	50	100.0

Data source: Processed

Based on table 1 it can be seen that of the 50 respondents or 100% there are 7 respondents or 14% included in the very good category, 33 respondents or 66% in the good category, there are 6 people or 12 in the sufficient category and in the less category as many as 1 person or 2 % while in the very less category as many as 3 people or 6%. Thus it can be concluded that business capital assistance for empowering MSMEs to improve the community's economy in Ngawi District, Ngawi Regency is good.

2. Indicators of Infrastructure Development Assistance

Table 2
Infrastructure Development Assistance in the context of empowering MSMEs to improve the Community Economy in the District of Ngawi, Ngawi Regency

Category	Number of Respondents	Percentage
Very Good	24	48.0
Good	15	30.0
Enough	5	10.0
Less	4	8.0
Very Less	2	4.0
Total	50	100.0

Data source : Processed

Based on table 2 above, it can be seen that of the 50 respondents or 100% there were 24 respondents or 48% included in the very good category, 15 respondents or 30% in the good category, there were 5 people or 10 in the sufficient category and 4 in the less category. people or 8% while in the very less category as many as 2 people or 4%. Thus it can be concluded that infrastructure development assistance in the context of empowering MSMEs to improve the community's economy in Ngawi District, Ngawi Regency is very good.

3. Accompaniment Assistance Indicator

Table 3
Assistance Assistance in the context of empowering MSMEs to improve the Community Economy in the District of Ngawi, Ngawi Regency

Category	Number of Respondents	Percentage
Very Good	22	44.0
Good	16	32.0
Enough	6	12.0
Less	3	6.0
Very Less	3	6.0
Total	50	100.0

Data source: Processed

From table 3 above it can be seen that of the 50 respondents or 100% there were 22 respondents or 44% included in the very good category, 16 respondents or 32% in the good category, there were 6 people or 12 in the sufficient category and in the less category 3 people or 6% while in the very less category as many as 3 people or 6%. Thus it can be concluded that mentoring assistance in the context of empowering MSMEs to improve the

community's economy in Ngawi District, Ngawi Regency is good.

4. Institutional Strengthening Indicators

Table 4
Institutional Strengthening in the context of empowering MSMEs to improve the Community Economy in the District of Ngawi, Ngawi Regency

Category	Number of Respondents	Percentage
Very Good	15	30.0
Good	19	38.0
Enough	10	20.0
Less	3	6.0
Very Less	3	6.0
Total	50	100.0

Data source: Processed

From table 4 above it can be seen that of the 50 respondents or 100% there were 15 respondents or 30% included in the very good category, 19 respondents or 38% in the good category, there were 10 people or 20 in the sufficient category and in the less category as many as 3 people or 6% while in the very less category as many as 3 people or 6%. Thus it can be concluded that institutional strengthening in the context of empowering MSMEs to improve the community's economy in Ngawi District, Ngawi Regency is good.

5. Indicators of Strengthening Business Partnerships

Table 5
Strengthening Business Partnerships in the context of empowering MSMEs to improve the Community Economy in the District of Ngawi,
Ngawi Regency

Category	Number of Respondents	Percentage
Very Good	23	46.0
Good	13	26.0
Enough	8	16.0
Less	4	8.0
Very Less	2	4.0
Total	50	100.0

Data source: Processed

Based on table 5 above, it can be seen that of the 50 respondents or 100% there were 23 respondents or 46% included in the very good category, 13 respondents or 26% in the good category, there were 8 people or 16 in the sufficient category and in the less category as many as 4

people or 8% while in the very less category there are 2 people or 4%. Thus it can be concluded that strengthening business partnerships in the context of empowering MSMEs to improve the community's economy in Ngawi District, Ngawi Regency is good.

6. MSME Empowerment Variables to Improve Community Economy

Table 6
MSME Empowerment to improve the Community Economy in Ngawi District, Ngawi Regency

Category	Number of Respondents	Percentage
Very Good	25	50.0
Good	16	32.0
Enough	4	8.0
Less	2	4.0
Very Less	3	6.0
Total	50	100.0

Data source: Processed

Based on table 6 it can be seen that of the 50 respondents or 100% there were 25 respondents or 50% included in the very good category, 16 respondents or 32% in the good category, there were 4 people or 8% in the sufficient category and in the less category 2 people or 4% while in the very less category as many as 3 people or 6%. Thus it can be concluded that the empowerment of MSMEs to improve the community's economy in Ngawi District, Ngawi Regency is very good.

MSMEs have a strategic role in improving people's welfare, creating jobs and encouraging economic progress as well as overcoming various economic problems, especially poverty and unemployment. Even though MSMEs have strategic goals in supporting the economy, there are obstacles that prevent MSMEs from growing fast. The obstacles are:

1. Capital

Capital is an important part in every business that is needed to run and develop a business. The lack of capital is more experienced by micro, small and medium enterprises because they are individual businesses that only rely on capital from the limited business owner side. In addition, business owners experience difficulties in obtaining loans from banks due to administrative and technical issues that business actors are unable to fulfill.

Based on an interview with Mrs. YYK, the owner of a culinary food business explained that: "When talking about capital, I used to have very little capital, but with determination, business intention and prayer, thank God, now I can enjoy the results, because capital as an initial step to starting a business is indeed very important. and

important for the implementation of a business and running smoothly for the initial stage.

Business capital is a very important thing that must be owned by a company. With the existence of business capital, the company will be able to carry out production activities or other activities to the fullest. When a company does not get sufficient capital, of course the company will limit its activities, this will have a negative impact on the profits that will be obtained.

2. Limited human resources

In general, large businesses require workers with high formal education and sufficient work experience, while SMEs, especially small businesses, some workers have low education. Characteristics inherent in SMEs can be advantages or strengths that actually become obstacles to development (growth constraints). The combination of strengths and weaknesses as well as their interaction with the external situation will determine the prospects for MSME development. Micro and small businesses develop more traditionally and are businesses that are sometimes hereditary family businesses. These limitations can be viewed from formal education as well as knowledge and skills that will affect business management. In addition, most micro and small businesses experience difficulties in adapting to current technology in increasing product competitiveness. Based on interviews with MSME business owners who explained that "Most people here have low education, so their knowledge is not much and limited."

For business actors with elementary school graduation or even no schooling, little knowledge as an entrepreneur and little school experience does not discourage them from learning and working.

3. Business Network.

Most of the small businesses are family businesses that have a limited business network and a very low ability to understand market conditions. The impact of the quality of goods and the limited population will affect the business network to market the goods/services produced, especially if you want to reach the global market. Based on an interview with the MSME snack business owner, Mrs. LLK, who explained that "We market our products around here, we used to leave them from shop to shop before opening our own big shop so marketing is rather difficult, but now people already know the product as a specialty or for souvenirs" .

A marketing strategy that is less strategic can hinder the running of a business, but the strategy used is word of mouth and product flavors and gifts that can make customers or consumers return

4. CONCLUSION

The results of the study can be concluded that (1) that business capital assistance for MSME empowerment to improve the community's economy in Ngawi District, Ngawi Regency is good; (2) that assistance for infrastructure development in the context of empowering MSMEs to improve the people's economy in Ngawi District, Ngawi Regency is very good; (3) that assistance in the context of empowering MSMEs to improve the community's economy in Ngawi District, Ngawi Regency is very good; (4) that institutional strengthening in the context of empowering MSMEs to improve the people's economy in Ngawi District, Ngawi Regency is good; (5) that strengthening business partnerships in the context of empowering MSMEs to improve the community's economy in Ngawi District, Ngawi Regency is very good; and (6) that the empowerment of MSMEs to improve the community's economy in Ngawi District, Ngawi Regency is good.

5. ADVICE

Based on the results of the research, the following suggestions can be made: (1) SMEs should increase their ability to use information technology with the aim of making it easier to market their products online; (2) Guidance and empowerment should be carried out in a programmed manner in the form of training and assistance for MSME actors; (3) The Government should facilitate and provide support to MSMEs in the form of legality and provision of adequate infrastructure to help market MSME products.

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