

What is the Strategy to Increase Community Income with Village Assistance for Micro Enterprises?

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Abstract

The purpose of this study was to determine the effect of Village Fund Assistance for Micro Enterprises and to determine the correlation between Micro Enterprise Assistance in increasing the income of micro entrepreneurs in Palu District. The research sample consisted of 61 respondents. Data Processing and Analysis Techniques were carried out through Research Instrument Tests including Validity Tests, Reliability Tests and Simple Linear Regression Analysis. The results of the study stated that Micro Enterprise Village Assistance had a significant effect on the income variables of micro entrepreneurs in North Palu District, however, Village Assistance correlated with the income of micro entrepreneurs in Palu District. Mamboro Village has many potentials for Micro, Small and Medium Enterprises originating from agriculture and plantations.

Keywords: Micro Business Village Assistance, Income Increase

Introduction

Micro, small and medium enterprises have a fairly important role in building the economy in Indonesia. The economy in Indonesia nationally has shown that Micro, Small and Medium Enterprises activities are one of the consistent and growing business sectors. Most Micro and Small and Medium Enterprises are generally based on local economic resources and do not depend on imports, and the results can be exported (Yusuf et al., 2022). Considering that MSMEs are generally based on local economic resources and do not depend on imports, and the results can be exported because of their uniqueness, the development of MSMEs is believed to strengthen the foundation of the national economy (Yusuf et al., 2023). The Indonesian economy will have strong competitiveness if MSMEs have become the main actors in the Village and are competitive in the national economy. For this reason, the development of micro and small businesses needs to be a top priority for national economic development in the long term (Yusuf et al., 2023). However, the development of MSMEs generally still experiences various problems and is not fully in accordance with expectations (Ramdan et al., 2023). Problems that are still obstacles in the development of MSME businesses include limited capital owned and the difficulty of MSMEs in accessing capital sources. The capital needed to develop micro and small businesses relies more on personal capital and the turnover of business results obtained (Yusuf et al., 2023).

Micro, Small and Medium Enterprises are business activities carried out by individuals or groups that aim to improve the welfare of individuals or groups (Yusuf et al., 2023). Micro, Small and Medium Enterprises have a strategic role in national economic development. and also in the growth of the economy and workforce and distribution of development results. Micro, Small and Medium Enterprises in villages are seen as having good future prospects.

The benefits of Micro, Small and Medium Enterprises for the national economy include: opening up employment opportunities, becoming the largest contributor to the value of gross domestic product, one of the effective solutions to the economic problems of the small and middle class (Yusuf et al., 2022). Meanwhile, the benefits of Micro, Small and Medium Enterprises in villages for the regional economy are increasing income, empowering communities, especially women, gaining entrepreneurial experience, reducing unemployment in villages, strengthening a sense of togetherness, developing community potential, developing existing businesses, and fostering a desire to progress and so on (Yusuf et al., 2023). Village Assistance for Micro Enterprises in Villages is a government strategy in the National Economic Recovery effort to help micro business actors, and is a presidential assistance program that comes as a new government synergy to MSME actors in Indonesia (Ramdan et al., 2023). Income is all receipts from sales activities, either in the form of money or services to meet daily needs for a person's survival. The income that each person has is per capita income, where this income is a benchmark for the development of economic progress (Ramdan et al., 2022). This is closely related to company activities, sales of goods and services, with high demand providing benefits but conversely, if sales of goods and services experience a decrease in demand, they experience losses. Every business actor wants to get profit from their business capital, they want additional income to meet daily needs with their families (Saepudin et al., 2023). From the results of business income, without including capital, it is turnover because the income is obtained from the business itself. This assistance is included in the government program in national economic recovery, the purpose of assistance for micro business actors is to help those affected by the economic crisis. Micro businesses are the breath of the economy, one of the economic sectors that is very profitable for the country, therefore the most important and most important thing is the business capital assistance fund program for micro business actors, with government assistance, micro business actors can run their businesses again (Zahrah et al., 2022).

Micro, Small and Medium Enterprises have an important and strategic role in the Indonesian economy. The important role of MSMEs is not only significant for growth in big cities but also for economic growth in rural areas (Wartono et al., 2022). Empowerment of

MSMEs is very important and strategic in anticipating the economy, especially in strengthening the structure of the national economy (Sukandi et al., 2022). According to Anwar et al., (2021) that MSMEs are one of the sectors that have an important role in economic development. The MSME sector is one of the main and vital forces that can drive economic development and employment (Sukandi et al., 2021). The development of Small and Medium Enterprises is expected to make a major contribution to economic growth so that it needs more attention because it carries the mission of creating equal employment and business opportunities, preserving culture, and supporting national exports (Ilhami, 2021). Thus, MSMEs are one of the main indicators that are considered to be able to contribute positively to economic growth.

Methods

The population in this study were all micro-entrepreneurs who received assistance from the Village Micro Business in North Palu District, from the results of the researcher's observations, there were 244 Micro, Small and Medium Enterprises. The research sample consisted of 61 respondents who were determined and calculated using the Slovin Formula. Data Processing and Analysis Techniques were carried out through Research Instrument Tests including Validity Tests, Reliability Tests and Simple Linear Regression Analysis. This analysis method was carried out to determine the extent of the influence of Village Micro Business Assistance on the income of micro-entrepreneurs. Simple Linear Regression Analysis in this study was to determine whether there was a relationship between the independent variables and the dependent variables.

Results and Discussion

This research is a quantitative research consisting of independent variables, namely Village Micro Business Assistance and dependent variables, namely the income of micro entrepreneurs in Palu District. Micro business activities as a business opportunity in a region, micro businesses are a good place for the unemployed and have been planned by the government, private sector, and individual business actors. During the pandemic, many businesses were forced to close due to the impact of the corona virus outbreak. This means that in order to be able to rise against the never-ending pandemic, government intervention is needed with new innovations to overcome poverty and bankruptcy. Moving and restoring the economic sector as a task and function of the government is highly expected by the community. So that a Village assistance fund program was held for the sake of business development and increasing income in the midst of the economic crisis, and not solely used as business capital but used for

daily needs. The income that each person has is per capita income, where this income is a benchmark for the development of economic progress. This is closely related to company activities, sales of goods and services, with high demand providing benefits but conversely, if sales of goods and services experience a decrease in demand, they experience losses.

This research was conducted in the Palu District area and the subjects of this research were micro-entrepreneurs who received Micro-Enterprise Village Assistance funds. Based on the results of the research, it is known that all statements contained in the micro-enterprise village assistance variable with indicators of capital, turnover, income, effectiveness, and sustainability and the micro-entrepreneur income variable with indicators of production, profit, cost, selling price, and number of family members are declared valid because the r-count value is $> r$ -table. When viewed from the reliability test in the Cronbach's Alpha calculation for variable X, the results of the reliability test of the variables and show that each variable is said to be reliable. The results of the data processing test that had been carried out previously also showed that H_0 could be accepted, namely that micro-enterprise village assistance (X) had a significant effect on the income of micro-entrepreneurs (Y). This can be seen from the significant value of the Micro-Enterprise Village Assistance (BPUM) variable, which is $0.0044 < 0.04$ and the t-count value $> t$ -table of $4.264 > 1.884$. The correlation value obtained in the researcher's study was 0.438, which means that the correlation between the BPUM variable and the income variable of micro-entrepreneurs has a relationship, while the correlation coefficient value of R-square (R^2) was 0.280, which means that there is a 28% contribution of BPUM to the income of micro-entrepreneurs in Palu District..

Conclusion

Based on the results of the data analysis that has been carried out in the researcher's research, the following conclusions can be drawn: a. Based on the results of the simple linear regression analysis, the direction of the relationship is positive as seen from the correlation coefficient value (relationship) which is positive. This means that the existence of Micro Business Village Assistance (BPUM) has increased the income of micro business actors in Palu District and has been able to develop their businesses during the economic crisis. The results of the t-test show that the Micro Business Village Assistance (BPUM) distributed to micro business actors in Palu District who were affected by Covid-18 had a significant influence on the income of micro business actors. There has been an increase in micro business actors in running and developing their businesses in the midst of the economic crisis from business capital assistance funds distributed by the government. Thus, the greater the Micro Business

Village Assistance, the greater the turnover of business actors. So in the research, the researcher H₀ is rejected that the variable of micro business village assistance does not have a significant effect on the variable of income of micro business actors in Palu District and H_a is accepted that the variable of micro business village assistance (X) has a significant effect on the variable of income of micro business actors (Y) in Palu District, so it can be concluded that the variable of Micro Business Village Assistance has a significant effect on the variable of income of micro business actors in Palu District.

- a. The results of the correlation coefficient test obtained 0.438 which means that there is a relationship between micro business village assistance and the income of micro business actors. So it can be concluded that the variable of Micro Business Village Assistance (BPUM) is correlated with the income of micro business actors in Palu District.
- b. The results of the determination coefficient test obtained 0.280 which means that there is a 28% contribution of BPUM to the income of micro business actors in Palu District. These results indicate that there is a most dominant variable outside of the researcher's variables in influencing the income of micro business actors in Palu District. So it can be concluded that the Micro Business Village Assistance variable is not dominant or strong on the income of micro business actors in Palu District.
- c. Researchers suggest that the government continue to distribute Micro-Business Village Assistance to micro-business actors if a pandemic occurs again, because many business actors are struggling and have been affected by Covid-19.

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