

## Development of MSME Economic Empowerment Materials in the New Normal in Matuari District, Bitung

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### ABSTRACT

The purpose of this study is to identify the problems faced by Micro, Small and Medium Enterprises (MSMEs) in the new normal and arrange materials for their economic empowerment in the Matuari District, Bitung City. After conducting a content development, the MSME economic empowerment material product was successfully compiled with the Four D development process, with the stages of problem identification and analysis of development needs, prototype design and material, product testing, and product revision. The material developed is the economic empowerment of MSMEs with an outline of characteristics and principles of entrepreneurship, entrepreneurial creativity and innovation, how to get business capital, family financial management, and online marketing. The trial of this MSME economic empowerment material is highly effective.

**Keywords:** Economic Empowerment Materials, Micro Small and Medium Enterprises (MSMEs), New Normal, Problem Identification

**JEL Classification:** A10, A20, A29

## **INTRODUCTION**

In supporting economic development, the government carries out various strategies, one of which is by empowering and growing Micro, Small and Medium Enterprises (MSMEs) as the basis for people's economic development. History shows that MSMEs in Indonesia remain to exist and thrive despite the economic crisis. On the other hand, MSMEs also face many problems, such as limited working capital, low quality of human resources, and lack of mastery of science and technology. Also, a lack of clear business prospects and planning, and a lack of solid vision and mission pose some challenging problems. This happens because MSMEs are income gathering, namely increasing income. These characteristics can be seen in today's micro, small and medium enterprises, family-owned businesses, simple use of technology, lack of access to capital (bankable), and no separation between business capital and personal needs. MSMEs play a considerable role in advancing the Indonesian economy. They also have tremendous potential as the biggest contributor to state tax revenue (Sepriana, 2021). Apart from being an alternative for new employment opportunities, MSMEs drive the pace of economic growth after the 1997 monetary crisis when large companies experienced difficulties in developing their businesses. At present, MSMEs significantly contribute to regional and national income.

MSMEs are a form of community small business whose establishment is based on one's initiative. Most people believe that MSMEs only benefit certain parties although they could absorb the unemployed. They use various potential natural resources that have not been commercially processed. They also help process the resources in each region. They have a strategic role in national economic development. During the 1997 economic crisis, where many large-scale businesses stagnated and even stopped their activities, the MSME sector proved to be more resilient in dealing with the crisis. Since then, they have been a safety valve in the process of national economic recovery, both in encouraging the rate of national economic growth and absorption of labor (Aufar, 2014).

Suryadharma (2008) stated that MSMEs are a bulwark of the national economy so that if the sector is neglected, it is not protecting Indonesia's defense fortress. Despite their role in the national economy, they still face various obstacles. The obstacles are complex and include various interrelating aspects, including the lack of capital both in quantity and source, lack of managerial ability and operating skills, the absence of a formal form of company, weak organization, and limited marketing. In addition, unfair competition and economic pressure result in a limited scope of business. To meet the needs of life prosperity, people who have the ability and are observant to see their potential and to identify the environment, can find opportunities and open up business opportunities for the community.

According to Boediono (1996), focusing on the opportunities of the surrounding area will become an icon or characteristic of the area. Efforts are made to meet the needs of life. MSMEs' lives are also influenced by internal factors (economic) and external motives (the environment and economic habitat).

When there is an attempt to conduct a study and assessment of SMEs, at least two things must be well understood (Evans, 1981). First, MSMEs themselves should be able to study themselves to take a good self-understanding. Secondly, SMEs should be able to understand the directions, relationships, and conditions created with outside parties, including the state represented by the government. The right relationship between the government and MSMEs is the relationship between the role of state servants and one

owner of the state, by viewing MSMEs as an economic enterprise that involves many people and becomes the livelihood for most Indonesian people (Hikmat, 2006).

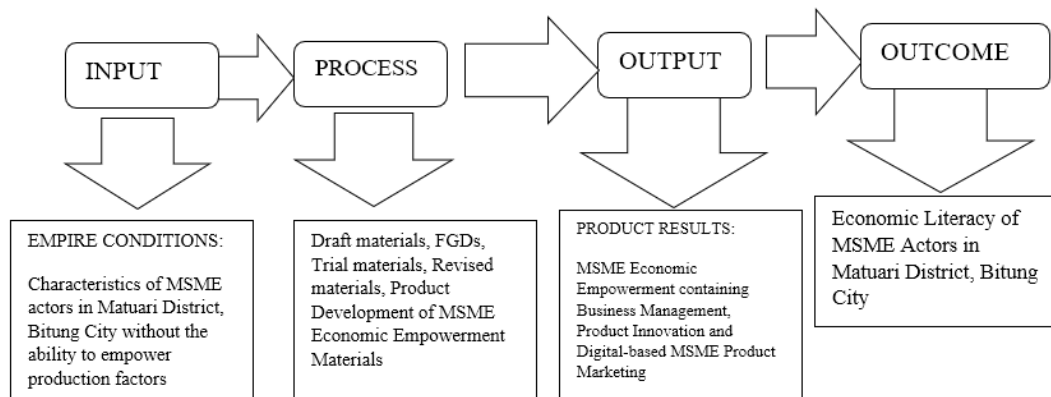
This condition also occurs in MSMEs in Matuari District, Bitung City, North Sulawesi Province. According to the Central Bureau of Statistics of Bitung City (2021), there are 110 MSMEs spread across 8 sub-districts in Bitung City. The majority are businesses or industries. Currently, these businesses tend to have no visitors, reducing their income. In addition to the pandemic, customers, who are generally traveling across cities to and from Manado, prefer buying other types of food products as souvenirs.

After collecting various strategic issues for the development of MSMEs, we identified market access and financial access needs. Based on the problems, we were interested to conduct a research on the development of economic empowerment of small and medium business actors in the Matuari sub-district of Bitung City to increase their economic income. For this reason, the purpose of this study is to identify the problems faced by the Micro, Small, and Medium Enterprises (MSMEs) in the "New Normal" era and prepare materials for their economic empowerment.

## LITERATURE REVIEW

In this study, several learning theories and development theories are used which will later support the implementation of this development study. Constructivism theory is defined as generative learning, which creates meaning from what is learned. Constructivism is a philosophy of learning based on the premise that by reflecting on the experience, we construct knowledge about the world we live in. On this basis, we built MSME economic empowerment materials. Moge, Watung, and Wantah (2021), similarly developing economic empowerment materials, underlined that material development is influential and beneficial for several farmers in Pangu Village. Figure 1 illustrates the research framework.

**Figure 1. Research Framework**



The inputs are empirical conditions from the MSME actors in Matuari District, Bitung City, who do not yet have economic literacy related to business management, financial management, and product marketing. Through the material draft process, FGDs, material trials, material revisions, and product development of economic empowerment materials, the output of the material framework and contents were tested on MSME actors in Matuari District, Bitung City. The outcome of the material development is an increase in literacy.

## **RESEARCH METHOD**

The content development of MSME economic empowerment material refers to the 4-D model development tool in Trianto (2010, p. 93) consisting of defining, design planning, development, and disseminating. In this study, we limited it only to the development stage; dimensioning/spreading activities were not carried out (see Figure 2). The three steps are as follows:

**1. Defining**

It establishes the definition of needs in the learning process. In this case, we conducted a preliminary study by observing MSME actors through interviews and distributing questionnaires. MSME actors are involved as key information because they are the most competent in revealing the real impact of developing economic empowerment materials.

**2. Design Planning**

The design stage is carried out based on what was obtained from the defining stage. The activities are in the form of an overall picture that relates to the contents of the economic empowerment material and the preparation of product prototype materials arranged according to existing references. The content of the material is sorted and explained for easier understanding.

**3. Development**

**a. Product manufacture**

It is about making products containing economic empowerment materials. This product is named economic empowerment training material with all components prepared at the planning stage.

**b. Product trial**

The product of the economic empowerment training material that has been revised and declared eligible was tested at the actual stage. This stage was carried out on ten MSME actors. At this stage, questionnaires were distributed to measure and find out respondents' opinions regarding the content of economic empowerment materials. To find out the effectiveness of the guidebook, members were then given a test in the form of a quiz. If the results fell to the good or very good category, the product was declared final. If it is qualified enough, less or very less, the product must be revised.

**c. Validation**

The economic empowerment guidebook product that has been created is validated by content experts of economic education materials. Their input and suggestions were used as the basis for revising the content of the material.

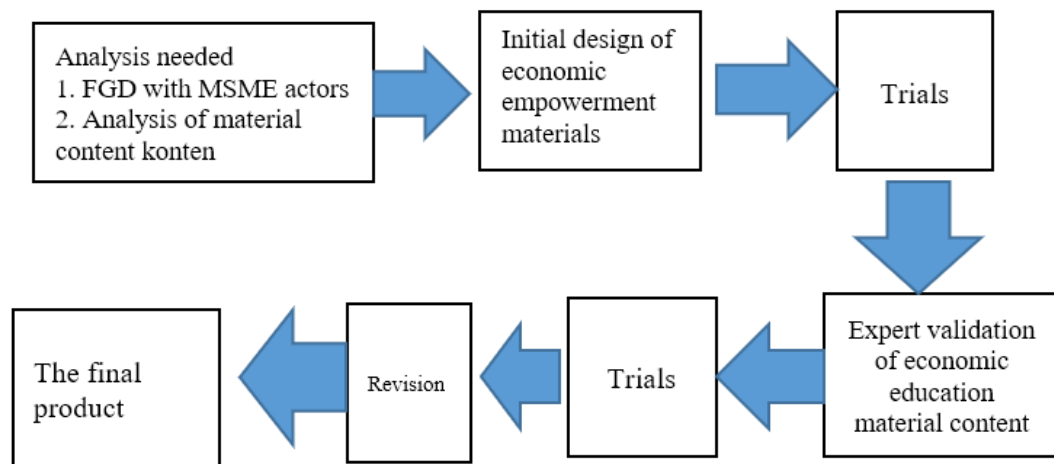
**d. Revision**

It is based on input from material validation experts as well as input from MSME actors. In the trial session of the prototype content of the material, a revision was made to perfect the initial design. The results of the revision were re-tested to obtain good or very good results.

**e. The final product**

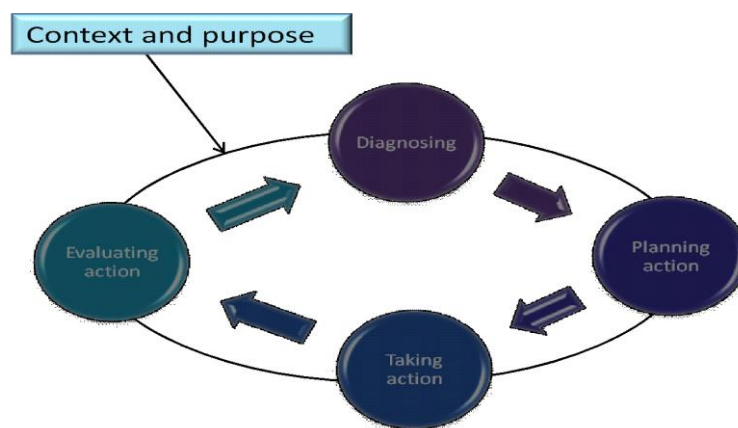
The final product was in the form of content material for the economic empowerment of MSMEs. The content of the material has been tested for validation and is feasible.

**Figure 2.** Stage 4-D Drawing of Economic Empowerment Material Development



**According to** Sugiyono (2012), data analysis is the process of systematically searching and compiling data from interviews, field notes, and documentation by organizing data into categories, breaking it down into units, synthesizing, compiling into patterns, choosing what is important and what will be studied, and making conclusions so that they are easily understood. The trial design of economic empowerment materials for MSME actors used action research by adopting the model developed by Rory O'Brien (see Figure 3).

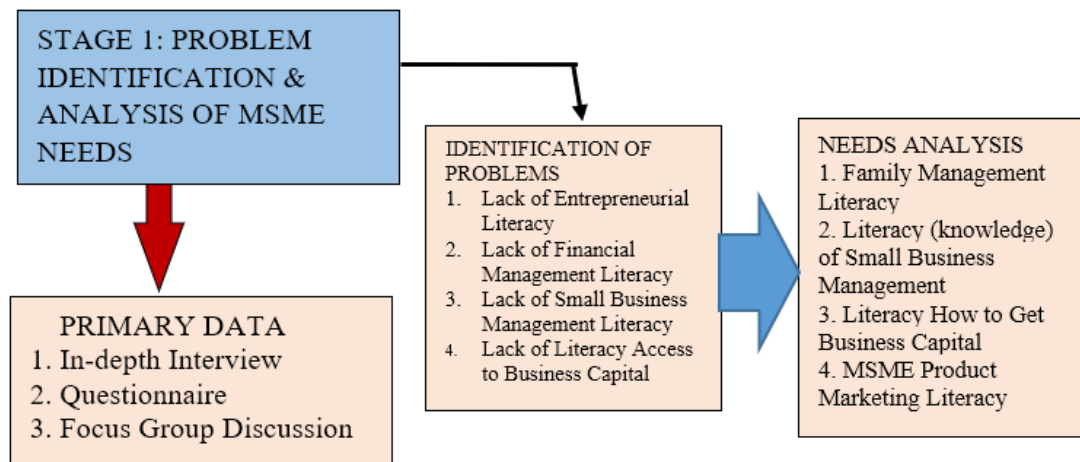
**Figure 3.** Action Research Model



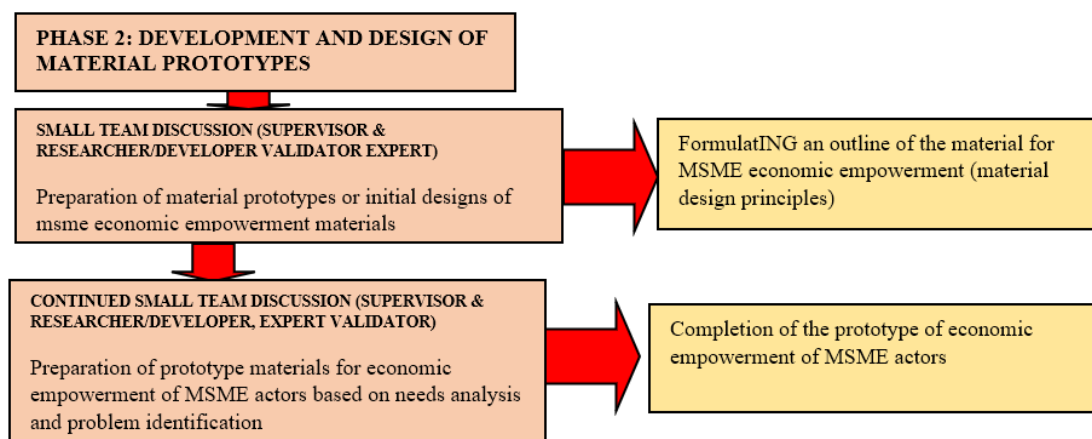
## RESULTS

The results of this study begin with the stages of the existing development methods (Wantah, 2017). In this section, the study results are presented and discussed with reference to the aim of the study, which is to identify the problems faced by MSMEs in the new normal and arrange materials for their economic empowerment in the Matuari District, Bitung City. Figures 3, 4, and 5 present the content development stages of MSME economic empowerment material. The results of Phase 1 Development are the identification of problems and definition of needs (needs analysis) of MSME actors for economic empowerment.

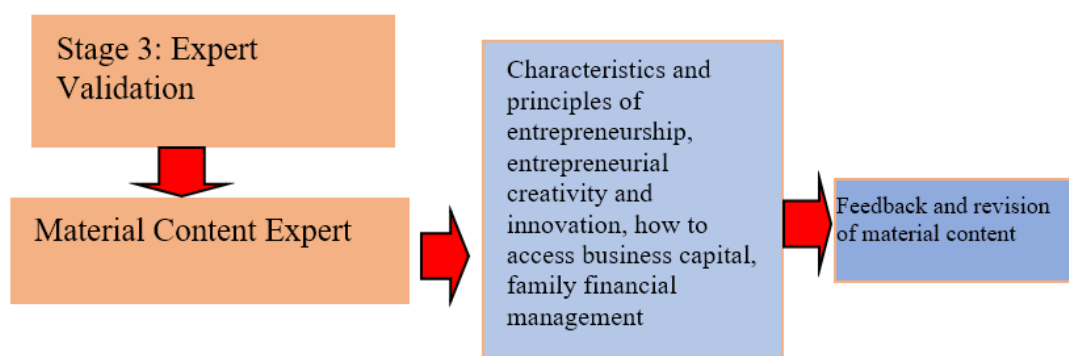
**Figure 3.** Preparation and Design of MSME Economic Empowerment Materials



**Figure 4.** Stage 2 Preparation and Design



**Figure 5.** Stage 3 Expert Validation



**Table 1.** Expert Validation Results

Validated Components	Rating Result		Category	Description
	Score	Percentage		
MSME empowerment materials (Material Characteristics and Principles of Entrepreneurship, Entrepreneurial Creativity and Innovation, How to Access Business Capital, Family Financial Management)	44	88%	good	Revised as necessary

Table 1 shows the percentage rating of 88 percent, which is in a good category and can be recommended for testing. At the first trial, the researchers prepared a trial instrument of one sheet of written test and learning citizen response instruments, carried out in 4 sessions. The results are presented in Table 2-5.

**Table 2.** Summary of Trial Results Session 1 (Characteristics and Principles of Entrepreneurship)

No	Learning Outcome Criteria	Number of Trial Participants 1	Percentage of Learning Citizens (MSME actors)
1.	90% - 100% (very good)	4	40 %
2.	80% - 89% (good)	6	60%
3.	70% - 79 % (less good)	0	0%
4.	Less than 70 % (not good)	0	0%
	Number of Subjects	10	100%

The results of the trial stage (Table 2) illustrates that learning residents have understood the characteristics and principles of entrepreneurship stated by answers from 6 participants stating good and 4 participants stating very well.

**Table 3.** Summary of Trial Results Session 2 (Creativity and Entrepreneurial Innovation)

No	Learning Outcome Criteria	Number of Trial Participants 1	Percentage of Learning Citizens (MSME actors)
1.	90% - 100% (very good)	7	70 %
2.	80% - 89% (good)	3	30 %
3.	70% - 79 % (less good)	0	0 %
4.	Less than 70 % (not good)	0	0 %
	Number of Subjects	10	100%

Table 3 shows the results of the trial session 2 signifying that the learning community understands the creativity and innovation of entrepreneurship in MSME business shown by the answers from three participants stating good and 7 participants stating very well.

**Table 4.** Summary of Trial Results Session 3 (How to get business capital)

No	Learning Outcome Criteria	Number of Trial Participants 1	Percentage of Learning Citizens (MSME actors)
1.	90% - 100% (very good)	6	60 %
2.	80% - 89% (good)	4	40 %
3.	70% - 79 % (less good)	0	0 %
4.	Less than 70 % (not good)	0	0 %
	Number of Subjects	10	100%

Table 4 presents the results of the trial session 3 illustrating that the learning community recognizes how to get capital in the MSME business confirmed by the answers from four participants stating it is good and 6 participants stating it is very good.

**Table 5.** Summary of Trial Results Session 4 (Family Financial Management)

No	Learning Outcome Criteria	Number of Trial Participants 1	Percentage of Learning Citizens (MSME actors)
1.	90% - 100% (very good)	5	50 %
2.	80% - 89% (good)	5	50 %
3.	70% - 79 % (less good)	0	0 %
4.	Less than 70 % (not good)	0	0 %
	Number of Subjects	20	100%

The results of the responses of the learning residents in Table 5 illustrates that the learning residents understand the management of family finances well in the MSME business stated by the answers of five participants stating good and 5 participants stating very good.

## **DISCUSSION**

According to Kartikahadi, Siregar, Sinaga, and Syamsul (2012), managing finances properly and correctly in a family environment in accordance with simple accounting standards. As of the trials for Component 1, 100% of the trial participants agreed that the learning was fun. Also, all of the trial participants decided that the content of the economic empowerment learning materials was easy to understand. In the third component, 100% of the participants agreed that the appearance of the content of the economic empowerment learning material was interesting. For the fourth component, all trial participants agreed that the combination of background images and writing was suitable. Also, 90% of the participants agreed that the accuracy of the combined images was matched. In the 6th component, 100 percent of the participants agreed that the initial description of the economic empowerment material was interesting to study. In the 7th component, 90 percent of the participants agreed that the material's content on economic empowerment was straightforward. In the 8th component, 100 percent of the participants agreed that the content of the economic empowerment material was beneficial for MSME actors. In the 9th component, 100 percent of the participants agreed that the content of



the economic empowerment material was valuable. In the 10th component, 100 percent of the participants agreed that the content of the economic empowerment material was following MSME needs.

Based on the interview results with MSME actors, we underlined that the whole material is instrumental in developing MSME business; thus, it is necessary to carry out an economic empowerment program in a sustainable manner. Also, it is essential to add other materials highly needed by MSME actors, such as digital (online) marketing materials implementable in subsequent trials using the action research model from Rorie O'Brien, namely the first stage of diagnosis, which is the needs of learning citizens (MSME actors).

The Final Trial Results (Revised input for learning residents of SMEs actors) were obtained by researchers and developed from the results of the evaluation of Trial 1 revision through the feedback of learning residents for adding online marketing or digital marketing material (Kotler & Armstrong, 2004), summarized in Table 6 below.

**Table 6.** Summary of Online Marketing Materials Trial Results

No	Learning Outcome Criteria	Number of Trial Participants 1	Percentage of Learning Citizens (MSME actors)
1.	90% - 100% (very good)	7	70 %
2.	80% - 89% (good)	3	30%
3.	70% - 79 % (less good)	0	0%
4.	Less than 70 % (not good)	0	0%
	Number of Subjects	10	100%

## **CONCLUSION**

Based on the results of trials and development data analysis, the study concludes that the economic empowerment of MSMEs can be disseminated to the community, especially to MSME actors in the Matuari District of Bitung City, by empowering their economy. The MSME economic empowerment material product was successfully compiled with the Four D development process, with the stages of problem identification and analysis of development needs, prototype design and material, product testing, and product revision. The material consists of the economic empowerment of MSMEs with an outline of the characteristics and principles of entrepreneurship, entrepreneurial creativity and innovation, how to get business capital, family financial management, and online marketing (Kotler, 2005). The trial is highly effective as the trial subject can easily understand it by assessing the implementation of the product trial cycle (Tjiptono, 2008). The action research has produced understanding and literacy of economic empowerment materials for MSME actors. The material produced for the economic empowerment of MSMEs in Matuari District is not perfect. It urgently needs improvements adjusted to the conditions of other objects and subjects.

Based on the study and development of MSME economic empowerment material, we suggest that MSME actors study the material since it has been tested for learning responses and material expert validators. As this study has only reached the third stage, future research should be continued until the dissemination stage to measure the effectiveness of the material until its mass production in electronic modules.

## **ACKNOWLEDGMENT**

N/A

## **DECLARATION OF CONFLICTING INTERESTS**

The authors declared no potential conflicts of interest.

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