

Community Empowerment in Entrepreneurship Development Based On Local Potential

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Empowerment education is one of the basic needs of economic development and social status in urban society. The purpose of this study is to give the result of training entrepreneurship development skills at the student of equality program PAKET C, based on local potential through training of making wooden watches. The skills given are about the production of wooden watches, and also developing the marketing skills product domestically and abroad. This research uses the descriptive qualitative approach. The descriptive qualitative method can be interpreted as a problem solving procedure by describing the subjects or object situation (person, institution, or society) based on the present facts that appear as they are. Data collecting use observation, interviews and documentation methods to subjects as a key persons and correspondents, and also literature review from relevant research to get the secondary data. The data was analysed using descriptive qualitative. The results of the study are that the student has skills to produce and market the wooden watch from a training programs on PKBM Citra Karya. Based on the program, students can produce the wooden watches of 10 pieces every month; they also have to market the watches to domestic and abroad. Students can make 4 until 5 million rupiah as the results of the selling process every month. This research provides scientific contributions to the study of nonformal education that leads educational quality in the community.

Key words: *Community empowerment, Community Learning Centre (PKBM) Entrepreneurship Development, Local Potential.*

Introduction

Local potential needs to be developed by all regions in Indonesia, based on that local potential can generate creativity and productivity as well as income for the community. As in Klaten Regency, Java Province, there are forest woods as local potential that consists of mahogany, rosewood and teak wood. The woods can be used as a variety of products such as making furniture, making houses and also to produce wooden watches. It can be used as one solution to poverty reduction program in Indonesia. Today's poverty reduction programs rely more on the creativity and initiatives of people in the regions. The central government, which was previously very dominant in poverty alleviation programs, must now change to merely providing facilities and assistance for poverty alleviation programs.

Based on that, the initial step in poverty alleviation efforts in the regions, is a situation analysis to find potential areas that can be developed as a base for community empowerment. The results of the situation analysis show that poverty is caused by the number of productive workers within working age that are unemployed, because they do not have education and skills to give them a job that has a high selling power. The situation is related to the background of the lives of poor people who experience powerlessness in the economic field, so it is certain they cannot reach formal or non-formal education (courses) that can equip them with the skills to find a decent income. The high cost of education, both formal and non-formal (courses), resulted in poor communities who cannot get a good education.

Developing a training program to increase entrepreneurship skills is needed in fierce economic competition in the current era of globalisation to improve the economy of the poor through empowerment. The development of entrepreneurship can be expected to be a breakthrough to accelerate the achievement of the growth of independent entrepreneurs who have a strong character to be able to form entrepreneurs who are more independent, innovative, and global-minded.

Creating strong entrepreneurship is not easy, because certain prerequisites are needed, including having the vision to get a better future, and have a creative orientation and perspective. Happer (1991) states that the key to success on the business field requires the ability to read the right opportunities, have expertise and ability in the field to be occupied, take the right approach in running a business, and have sufficient funds to start and operate a business. Mc Clelland's Theory (Idris, 2003), known as the need for achievement theory, states that some people with an entrepreneurial spirit have a need of achievement so strong that they are more motivated than efforts to achieve profits. To maximise satisfaction, someone with a need for high achievement tends to set their goals as a challenge to be achieved. Individuals who are motivated by a desire for high achievement tend to do risky



work with calculations, but individuals who have a low desire for achievement generally avoid challenges, responsibilities, and risks.

The tendency of entrepreneurship is to look for ways that do not have challenges and are less risky. This way is usually done by novice entrepreneurs with limited capital and experience. This is understandable because a novice entrepreneur with limited capital is vulnerable to the risks experienced, once he tries and then fails, it will last forever, and even if he pawns everything he has to pay for the risk he carries. To develop entrepreneurship based on local potentials, entrepreneurship development strategies are needed through community empowerment, so it is easy to understand and utilise the potential that is owned.

Based on that phenomenon, the scope and problem is how to empower the community in developing entrepreneurship through education and training in making wooden watches and how to market their products to improve their economies.

Literature Study

Entrepreneurship is fairly new in Indonesia. Historically this concept of entrepreneurship began to be introduced in the 18th century in France by Richard Cantillon, while there was an industrial revolution in England that involved several entrepreneurs. Furthermore, the idea of entrepreneurship was studied deeply by Schumpeter, a German economist in 1911. Through Schumpeter's theory of economic growth, the concept of entrepreneurship implementation has been placed in a very important position of development. The notion of entrepreneurship itself developed with the evolution of the thinking of economists in the Western World, then spread to other countries including Indonesia.

According to Pinchot (Usman, 2010), entrepreneurship is the ability to internalise talent, engineering, and opportunities. Meanwhile, entrepreneurs are people who dare to take risks and the risks have been calculated as optimal as possible, innovative, creative, to never give up, and be able to anticipate opportunities appropriately. The Ministry of National Education (2010) says entrepreneurship is an attitude, soul, and ability to create a new thing that is very valuable and useful, both for himself and others. This entrepreneurship is a mental attitude and spirit that is always active, creative, empowered, and striving to increase income from business activities. Entrepreneurs are people who are skilled in taking advantage of opportunities in developing their businesses, to improve their lives.

Priyanto (2009) in the early 20th century, stated that entrepreneurship became a popular study because of its important role in economic development. It was Schumpeter (1934) who said that if a country had many entrepreneurs, the country would have high economic growth, which at the same time would produce high economic development. If a country wants to

progress, the number of entrepreneurs must be large. Entrepreneurship is a driving force behind economic growth. Kirzner said that entrepreneurship is an important part of development. The rationale is that if someone has entrepreneurship, he will have the characteristics of high motivation (need for achievement), dare to try (risk taker), innovation and independence. With this nature, even if he has only a small opportunity, he will be able to change, produce something new, create new relations, accumulate capital, either in the form of improving existing businesses (upgrading) or generating new businesses. With this effort, it will move the raw material to "change shape" which is more valuable so that consumers will eventually buy it. In this process, there will be an exchange of goods and services, in the form of natural resources, money, social resources, opportunities and human resources. In economics, if this happens, it means there is economic growth, and if there is economic growth there is development.

One failure in achieving economic growth and economic development of a country, is because there is less entrepreneurship on an individual, organisational and community level. Previous researchers have said, entrepreneurship is very instrumental in economic development. (Kirzner, 1973) stated that it is a vital component of productivity and growth (Baumol, 1993), and plays a role in increasing investment, new business creation (Gartner, 1985), giving rise to job training (Brown et al, 1976) and home-based business (Spencer Hull, 1986), increasing employment growth (Birch, 1981; 1987), creating national identity and leadership (Bolton, 1971) and doing farm performance (Priyanto, SH, 2005). Schumpeter (1934) even states that entrepreneurship is the driving force behind economic growth, formulating new economic combinations by (1) developing new products; (2) developing new sources of materials; (3) accumulating capital resources; and (4) introducing new products.

Entrepreneurship can also have a direct effect on business performance. Baum et al. (2001) said that the nature of a person (which can be measured from the toughness in dealing with problems, proactive attitude and penchant for work), general competence (which can be measured from organisational skills and the ability to see opportunities), special competencies they have, such as industry expertise and technical expertise, also motivation (which can be measured by vision, growth goals and self-efficacy), positively influences business growth. Same line with Baum et al. (2001), Lee and Tsang (2001) who concluded that entrepreneurial elements such as internal locus of control, need for achievement, extroversion, education experience and self-reliance affect business growth.

Sociologists say that entrepreneurship plays a role in integrating, arbitrating and managing subsystems in the economy of the society (Parsons and Smelser, 1956). Entrepreneurs are agents of change in the society where they live (Barth, 1967). Storey (1982) argues that entrepreneurs play a role as creators in competition and job creation, as a "seed" in the future



and as an alternative in terms of connecting the bureaucratic employer-employee. Meanwhile, Hagen (1960) believes that entrepreneurs can motivate people because they are seen as an elite, because of their success in the business world. Entrepreneurs can inspire the community. Poverty is very closely related to the absence of entrepreneurship. Therefore, the existence of entrepreneurship starting from the level of individuals, organisations to the community also have an impact on the number of poor people in a society. If entrepreneurship is high, poverty will decrease.

From the psychological side, entrepreneurship is a soul that has passion, dreams, dares to try, is creative, has a need for achievement, has a vision of life and is independent. Such a soul can be owned by anyone, whether it is traders, entrepreneurs, employees or the community in general, who can manage themselves and their environment so that ideas, innovations, discoveries, creativity, new spirits and new markets will be generated. What we often hear and mean is that entrepreneurship has an understanding with manufacturing and trading businesses. At present, the meaning of entrepreneurship has developed not only in terms of someone as an "entrepreneur" but a person who can manage themselves and their environment so that ideas, innovations, discoveries, creativity, new spirits and new markets will be generated. Entrepreneurship is something that is in the soul of a person, society and organisation which will, therefore be various kinds of activities (social, political, educational), and business. Entrepreneurship is a very broad field of activity.

Drucker (Kasmir, 2007) said entrepreneurship is the ability to create something new and different. This understanding implies that someone who is an entrepreneur is someone who can create something new, different from the others or is able to create something different from what was before. Whereas Leibenstein (1979) argues that entrepreneurship includes the activities that are needed to create or conduct business when all markets are not yet formed or clearly not identified, or the components of the production function are not yet fully known.

Micro Business Entrepreneurship

Microbusiness is a pillar of the economy of a country. As examples in a superpower country like America, more than 80% of it is built from a small business. John Naisbitt in his lecture at the global entrepreneur forum 95 in Singapore, revealed trends in the year 2000 which included a shift in world activity and big players towards small players who use businesses on a small and medium scale. He mentioned that the small players would be the main players in this large economy.

According to Idris (2003), business is a non-formal activity that is very preferred by the poor, especially residents who move to urban areas. In Mc Clelland's motivation theory (1961), it is said that an entrepreneur needs to have the motivation or drive to do something. People who



have entrepreneurial motivation will not easily accept job offers that are paid well even with a decent salary. They are more willing to run their businesses than work with others.

Community Empowerment

The concept of empowerment began to emerge around the 1970s and continued to develop throughout the 1980s to the 1990s. The emergence of this concept almost coincided with the emergence of streams such as existentialism, phenomenology, and personalism, then was followed by the development of the concept neo-Marxism and Freudianism, including the flow of structuralism and critical sociology. The emergence concept of empowerment is a result and reaction to the natural mind, community order and previous cultural order that developed in a country (Pranarka and Vidyandika, 1996).

At the beginning of the modern movement, the emergence of the concept of empowerment aimed to find new alternatives in community development. In this context, the empowerment process could be seen as a transition of an absolute power system (intellectual, religious, political, economic and military). This concept was then replaced by a new system based on humanity and human ideas. This concept has the same doctrine as the flow of phenomenology, existentialism and personalism which rejects all forms of power and leads only to the process of human existence dehumanised. Likewise, the neo-Marxist school, Freudianism, critical sociology rejected industrialisation, capitalism and technology. They reasoned that the three things above can kill humans and humanity. The ideals of this school were to find a system that fully supported humanity.

Parson's functionalist structural sociology (in Hikmat, 2001), states that the concept of power in society is a variable. According to this perspective, community power is the power of its members, and the community as a whole is called collective goals (for example, in economic development). The reason is, empowerment of the poor can be achieved if it is supported by a social structure that does not negatively affect power. With another understanding, the poor can be empowered through education and independence so that they can act as agents of development. This is what Schumacker calls empowerment (Thomas, 1992).

Empowerment will be a problem if conceptually it is zero-zoom; the intention is that the empowerment process is accompanied by the existence of group power over other groups. Hikmat (2001), defines power as the ability of an individual/group to realise their desires, even though they are forced to oppose others. If this is the case, the term empowerment which is equated with power must be negotiated as a strategy for carrying out social reforms (Pranarka and Vidyandika, 1996).

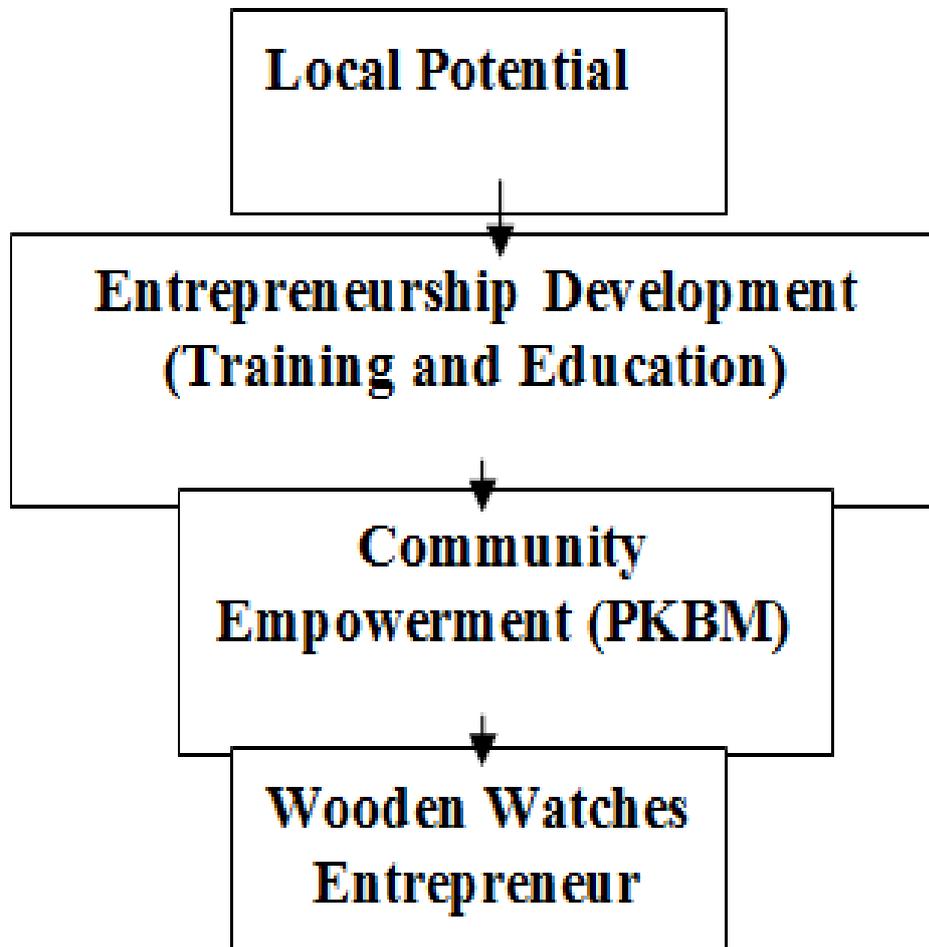


Craig and Mayo (1995), state that a Marxist perspective on power in a capitalist society cannot be separated from economic power. This power is in close contact with capitalist interests through transnational cooperation on a global scale. In such circumstances, the empowerment of the poor is limited by capitalist movements. Therefore, the poor and very poor must be empowered to be able to participate more effectively in development projects and programs launched by the government. The ability to bargain (bargaining position) and services to the poor are increasing. However, this situation is inseparable from the problem of loss and profit in the global market.

The concept of empowerment in community development is always associated with the concepts of independence, participation, networking, and justice. Empowerment increases the individual and social strength. Strength according to Rappaport (in Wisdom, 2001) is a psychological understanding which is interpreted as the effect of individual control over social conditions, political power, and rights according to the law. Decision making is created by people who consequently carry out the decision McArdle (1989), Hikmat (2001). People who have achieved collective goals are empowered through their independence, even it is a "necessity" to be more empowered through their efforts and accumulation of knowledge, skills, and other sources; to achieve their goals without relying on the help of external relations. However, McArdle implies this is not to achieve goals, but rather the importance of the process in participatory decision making.

In this context, participation becomes an important component for the generation of independence and empowerment processes (Craig and Mayo, 1995), so that the people involved in it can gain more confidence, have self-esteem, and knowledge to develop new skills. This is done accumulatively so that the more skills a person has, the better the ability to participate.

Theoretical Framework



Research Methods

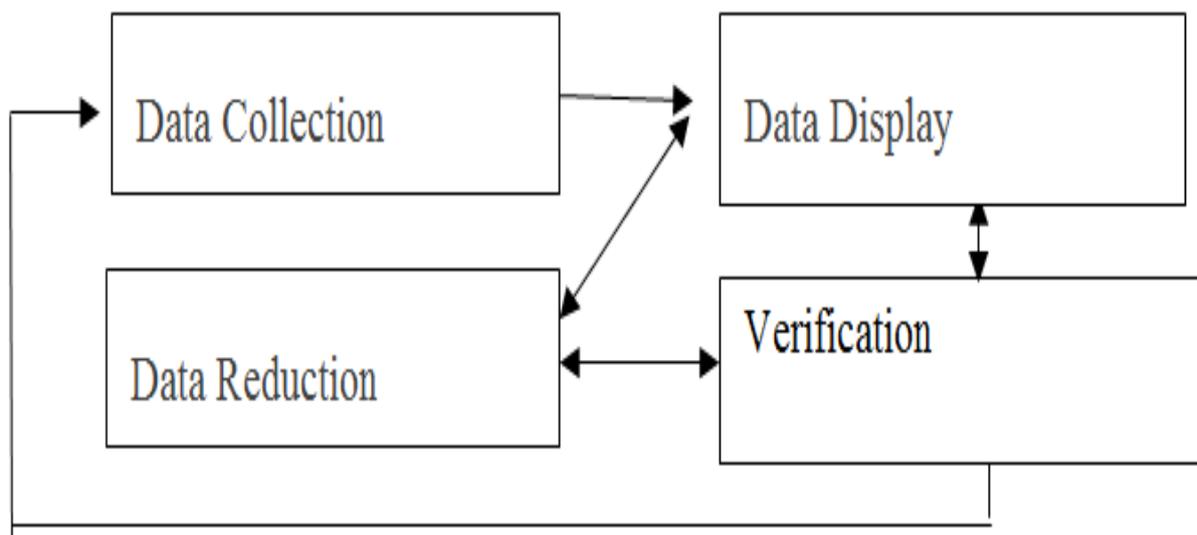
This study used a qualitative descriptive approach. Qualitative descriptive methods can be interpreted as problem solving procedures that are investigated by describing the state of the subject or object of research (people, institutions and society) at present, based on the facts that appear (Nawawi, 2005).

The population and subjects of this study were the poor and unemployed, located in Klaten Regency, Central Java Province. The subjects of this study were 10 people who were members of the PKBM, especially the students of the equivalency education KEJAR PAKET C (equivalent to SMA), and 2 PKBM managers, 2 PKBM facilitators and 6 students who participated in the training of making wooden watches. The age of the students varied between 17 to 45 years.

Data collection was collected through the results of interviews conducted with students in the KEJAR PAKET C of PKBM Cipta Karya Klaten, who participated in the training. All interviews were conducted in Indonesian, but sometimes they also used Javanese, which is the daily language used by trainees. Also data was collected from the results of discussions (Focus Group Discussion) with stakeholders, managers, facilitators and students. Documentation was in the form of video recordings that were transcribed with words. Observations used field notes when the research was carried out.

The focus of this research was the development of micro-entrepreneurship through community empowerment in Cipta Karya PKBM, also the impact caused by training in making wooden watches on the social-economic level of the community. Data collection procedures obtained in this study can be grouped into two, namely primary and secondary data. Primary data obtained from observations or direct observations in the field and respondents or informants, those who were directly involved in activities. Aspects observed include increasing literacy and independent business. Secondary data was data sourced from documents in the form of photos, notes, recordings, pictures and others. The stages of data analysis can be drawn according to the scheme described in the illustration below.

Research Data Analyse



Sources: Adapted by Miles and Hubberman

Research Findings

The results of this study created an entrepreneurship development and community empowerment by wooden watch production training and education in PKBM Citra Karya that

integrated with the equality program KEJAR PAKET C. Wooden watches produced by the woods that became local potential in Klaten such as Mahogany, Sono Keling, and Teak. All the wood that was used was from the Klaten Regency and became the local potential for making furniture or goods from the woods. Development of entrepreneurship in making wooden watches is done so that the training program students have skills in producing watches and at the same time be able to market it.

Training Program

The entrepreneurship program through training in making wooden watches, conducted by PKBM Cipta Karya, has been running since 2016, where the program is a training that is integrated with equality education, named KEJAR PAKET C. Based on research results obtained by the learning process, carried out in accordance with the curriculum of non-formal education that the pursuing KEJAR PAKET C program must include a local curriculum, which is the entrepreneurship program, that was based on recent and unfamiliar local potential. So PKBM Cipta Karya included entrepreneurship skills training by making wooden watches. Where students of KEJAR PAKET C would be getting general material, they also got a special entrepreneurial program, which was the production of wooden watches.

The learning process was carried out after the general subject matter had been delivered, and after the learning class was over students continued the program with skills training based on local potential. As revealed by the chairperson of Cipta Karya PKBM, the potential pack of the Klaten district included wood forests, “singga”, and in our entrepreneurship development used basic materials from wood, because there is a lot of wood in this area. My goal is that KEJAR PAKET C students also have the skills that will be useful for them in the future. The training process carried out at PKBM Cipta Karya in Klaten District coincided with KEJAR PAKET C learning, where each lesson was given entrepreneurial material for making wooden watches. The time was for two hours and lasted one semester. Likewise, what students said after the C package was “entrepreneurial practice time around 2 hours, starting from 3 to 5 pm. Yes step-by-step sir, start to choose good wood to rub the wood, then make a hole in the wood.”

Production

The production process carried out by PKBM Cipta Karya was after the completion of the subject matter taught in the pursuit of KEJAR PAKET C, then students continued their skills by making watches made of wood. The process of making wood is first put into the machine to be mashed, after finely starting to be cut into pieces according to the specified size, then wood that has been cut to size, perforated so that the needle assembly can be inserted, and then assembled to become a watch belt.

Students were very enthusiastic in deepening entrepreneurship because they got the skills of making wooden watches and at the same time in making it, it was appreciated by the manager of PKBM, once the wooden watch was finished, the student got a wage of 400,000 (four hundred thousand rupiah) and it can be completed in 3 to 4 days. As stated by students "I am very happy to follow the entrepreneurship program through training in making wooden watches, because besides I have the skills I also get money from the production and marketing". Entrepreneurship can also have a direct effect on business performance. Baum et al. (2001) said that the nature of a person (which can be measured from the toughness in dealing with problems, proactive attitude and penchant for work), general competence (which can be measured from organisational skills and the ability to see opportunities), special competencies they have such as industry and technical expertise, also motivation (which can be measured by vision, growth goals and self-efficacy), positively influences business growth. Almost in line with Baum et al. (2001), Lee and Tsang (2001) concluded that entrepreneurial elements such as internal locus of control, need for achievement, extroversion, education experience and self-reliance affect business growth.

Marketing

The marketing program initially carried out by PKBM Cipta Karya was a single marketing; all production results obtained were only sold to one company, namely PT. VICO owned by an American. But then, the marketing done by PKBM Cipta Karya with students, was by conducting socialisation to various companies both domestically and abroad. The methods used for marketing were using internet media, brochures, and electronic media such as Metro TV, which has broadcast the production of wooden clocks made by PKBM Cipta Karya in Klaten Regency.

Conclusion

PKBM Cipta Karya has developed an entrepreneurship program based on local potential, by the manufacturer of wooden watches. Development in the training process is needed. The training was held for 3 months until the students learned how to produce wooden watches. The production process was carried out after the students of KEJAR PAKET C received learning material, specifically about the entrepreneurship of making wooden watches and each month produces 10 pieces of wooden watches with an income of between 3-5 million per month. Marketing is done by using various media, such as brochures, electronic media, namely TV and using social media such as the internet. Whereas the marketing location is domestic and abroad.



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