



IMPLEMENTATION OF MSME EMPOWERMENT PROGRAMS IN IMPROVING BUSINESS INDEPENDENCE IN DESA CURUGCIUNG, CIKEUSIK DISTRICT, PANDEGLANG REGENCY

IMPLEMENTASI PROGRAM PEMBERDAYAAN UMKM DALAM MENINGKATKAN KEMANDIRIAN USAHA DI DESA CURUGCIUNG, KECAMATAN CIKEUSIK, KABUPATEN PANDEGLANG

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Abstract

Micro, Small and Medium Enterprises (MSMEs) are crucial for local economic development, employment absorption and community welfare. However, the success of empowerment programmes in rural regions generally stays at the implementation level. This study seeks to examine the implementation of MSME empowerment program in enhancing business independence in Desa Curugciung Kecamatan Cikeusik Kabupaten Pandeglang. The study used a descriptive qualitative design. The collection of data was carried out through observation, semi-structured interviews and documentation with seven informants, including the sub-district head, village head, a BRI officer, the chairperson of the Village Consultative Body, and three MSME actors. Data were evaluated by Miles, Huberman and Saldaña's interactive approach which consists of data collection, data condensation, data display and conclusion drafting. The findings indicate that the implementation of the MSME empowerment program has not been adequately carried out. Communication on the program at the bureaucratic level was still limited and did not reach the MSME actors to the fullest. Training, mentoring and access to funding were formally provided as resources but not experienced equally by business actors. The commitment of the implementing institutions had not been fully converted into ongoing assistance, while the bureaucratic structure was still more administrative than service-oriented. The results of the study also indicated that the independence of the business of MSME actors is more created via self-initiative, experience and adaptation rather than direct intervention from the



empowerment program. The study concluded that the presence of resilient MSMEs in rural areas does not necessarily mean that the policies are well implemented. The essay contributes to the study of public policy implementation in the identification of the gap between the formal empowerment design and the real growth of business independence at the village level.

Keywords : MSME Empowerment, Policy Implementation, Business Independence, Rural Development, Qualitative Study.

Abstrak

Usaha Mikro, Kecil, dan Menengah (UMKM) memiliki peran penting dalam memastikan pembangunan ekonomi lokal, penciptaan lapangan kerja, dan kesejahteraan masyarakat. Namun, efektivitas program pemberdayaan di daerah pedesaan terkadang terbatas pada tingkat pelaksanaan. Studi ini bertujuan untuk menganalisis pelaksanaan program pemberdayaan UMKM dalam meningkatkan kemandirian usaha di desa Curugciung, Kecamatan Cikeusik, Kabupaten Pandeglang. Studi ini menggunakan pendekatan kualitatif deskriptif. Data dikumpulkan melalui observasi, wawancara semi-terstruktur, dan dokumentasi kepada tujuh informan termasuk Kepala Kecamatan, Kepala Desa, satu petugas BRI, Ketua Badan Permusyawaratan Desa, dan tiga pelaku UMKM. Analisis data dilakukan menggunakan model interaktif Miles, Huberman, dan Saldaña yang mencakup pengumpulan data, kondensasi data, tampilan data, dan penarikan kesimpulan. Hasilnya menunjukkan bahwa pelaksanaan program pemberdayaan UMKM belum optimal. The communication of the program is still lacking at the bureaucratic level and has not fully reached MSME actors. Para pengusaha memiliki akses ke pelatihan, pendampingan, dan pembiayaan formal, tetapi tidak semua pengusaha memiliki pengalaman yang sama di bidang-bidang ini. The commitment of the implementing agencies has not yet been fully realized in sustainable assistance. The bureaucratic structure is still more administrative than service-oriented. Studi ini juga menunjukkan bahwa kemandirian usaha pelaku UMKM lebih dibentuk oleh inisiatif sendiri, pengalaman, dan adaptabilitas daripada intervensi langsung dari program pemberdayaan. Studi ini menemukan bahwa keberadaan UMKM yang kuat di lokasi pedesaan tidak selalu menunjukkan keberhasilan pelaksanaan kebijakan. Artikel ini berkontribusi pada studi implementasi kebijakan publik dengan mengungkapkan kesenjangan antara desain pemberdayaan formal dan perkembangan nyata kemandirian bisnis di tingkat desa.

Kata Kunci : Pemberdayaan UMKM, Implementasi Kebijakan, Kemandirian Bisnis, Pengembangan Pedesaan, Studi Kualitatif.

1. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) have a crucial function in the economic structure of Indonesia as they contribute significantly to gross domestic product, absorb a big share of the labor force and support household welfare at the local level. The Coordinating Ministry for Economic Affairs said that MSMEs provide over 60 percent to the national GDP and absorb about 97 percent of employment, thus affirming that the sustainability of this sector is intimately tied to inclusive economic development. However, the importance of MSMEs in rural areas is often not matched by the quality of public support received by business actors. Many village-based firms still confront structural obstacles, such as inadequate access to information, weak managerial competence, limited financial literacy, limited business help and unequal access to formal funding. These factors suggest the importance of seeing empowerment programmes not simply as administrative acts, but as



policy instruments for improving company capacity, competitiveness and long-term entrepreneurial autonomy.

This problem is pertinent in Desa Curugciung, Kecamatan Cikeusik, Kabupaten Pandeglang, where MSMEs have formed part of the local economic basis, but government-led empowerment measures have not yet generated ideal outcomes. Preliminary results indicate several interconnected problems, such as poor socialization of empowerment programs, inadequate training and business assistance, weak integration in village and sub-district support, and the fact that many MSME actors are still developing their business on their own initiative rather than through systematic policy intervention. This is a crucial criterion since business continuity cannot be automatically construed as proof of successful empowerment. In contrast, the policy to support it is poor in communication, resources, commitment and execution structure. The firm survives because of the owner's experience, persistence and adaptive capacity. Thus, it is important to analyze the implementation of this policy to determine the differentiate independence of business created as a consequence of self-development and independence created as a consequence of an effective empowerment program.

Recent studies show that MSME development is strongly influenced by capacity-building variables rather than by the formal existence of a program alone. (Anatan & Nur, 2023) Showed that many Indonesian MSMEs have a poor level of readiness for digital transformation due to inadequate resources, inconsistent knowledge transfer and weak institutional support. (Kyeyune & Ntayi, 2025) They also indicate that informal education and practical training can greatly increase financial performance. Thus, empowerment needs to be taken to the level of applied managerial skill. Likewise, (Fahrurrozi, 2025). The Role of Entrepreneurship Education, Digital Skills and Collaboration in the Long-Term Business Sustainability of Indonesian MSMEs: Evidence from Indonesia. In a more specific regional context, (Rahadjeng et al., 2023) indicate that financial literacy and FinTech adoption enhance financial inclusion and performance but sustainability is also influenced by wider strategic and external variables. These results suggest that in addition to the existence of policy programs, the operational capacity and independence of MSME players should also be considered in measuring empowerment. Institutional governance and service quality also play a role in the effectiveness of MSME empowerment. This is because empowerment programs are not only in need of formal policy support, but also need responsive and accessible service delivery to the beneficiaries (Andayani & Ramdhani, 2023).

Previous research have contributed to the understanding of MSME empowerment, although most studies focus on competitiveness, digital readiness, financial performance or sustainability at a wider level in the region. The studies that particularly discuss the influence of the implementation of empowerment programs at the village and sub-district level on the independence of rural MSMEs are still sparse. This study is the gap, which focuses on the implementation process of MSME empowerment in a rural governance context and the relationship with business independence of local entrepreneurs. The significance of this study is that it tries to show that the existence of MSMEs in rural areas does not necessarily mean that the policies are effectively implemented. Rather it might suggest a trend of entrepreneurs' survival through a self-developed independence, while the public empowerment methods are sub-optimal. So this study seeks to assess the execution of the MSME empowerment program to contribute to the independence of business in Desa Curugciung, Kecamatan Cikeusik, Kabupaten Pandeglang and to find out the limits of the implementation of the program so that the program is not effective. In this way, the research makes a more grounded contribution to the study of public policy execution and rural economic empowerment, especially in explaining the gap between policy design, implementation practice and the real capabilities of MSME players at the village level.

2. RESEARCH METHOD

This research was conducted using a qualitative descriptive technique to examine the implementation of the MSME empowerment program in enhancing business independence in Desa



Curugciung, Cikeusik District, Pandeglang Regency. This study aims to understand the implementation process, the role of stakeholders and the experiences of MSME players regarding the empowerment program in its natural setting, so a qualitative approach was considered acceptable. Qualitative research offers researchers the opportunity to investigate social phenomena in depth and to understand meanings from the participants' viewpoints. (Creswell & Creswell, 2017).

The investigation was conducted in Desa Curugciung, Kecamatan Cikeusik, Kabupaten Pandeglang, Province of Banten. This area was chosen because the function of MSMEs in the village has a vital role in supporting the local economy, while the implementation of empowerment initiatives still has several practical restrictions. The study was conducted throughout the period 2025–2026 and involved proposal development, data gathering in the field, data reduction, data analysis and report writing.

The subjects for the study were selected as informants on a purposive sampling basis. This method was chosen because the researcher required participants who had first hand information, authority and experience related to the implementation of the MSME empowerment program. The informants are Camat of Cikeusik, Head of Desa Curugciung, BRI official in charge of Kredit Usaha Rakyat (KUR), Chairperson of the Village Consultative Body (BPD) and 3 MSME actors in Desa Curugciung. The study was conducted with seven informants in total. Purposive sampling is often used in qualitative research to identify persons who are rich sources of knowledge and may provide rich and meaningful data 2. (Patton, 2014).

The study has used primary and secondary data sources. The main data were collected directly from the field through interviews and observations with the selected informants. Secondary data collection was carried out through village records, statistics reports, legislation, archives and scientific literature on MSME empowerment, public policy execution and business independence. The inclusion of numerous data sources was meant to add to the depth and trustworthiness of the conclusions.

Data were collected by observation, semi-structured interviews and documentation. Observation was done to find out the real conditions of MSME operations, the local business environment, and the types of empowerment assistance that exist in the village. Detailed information was collected through semi-structured interviews, which allow for questioning and clarification during the interview process. This technique allowed the researcher to study the perceptions of participants of communication in the program, access to assistance, training, business capital and institutional support. This field data was complemented by documentation in the form of written records, village profiles, administrative papers, photographs and other supporting material. The combination of these strategies is significant in qualitative research as it helps to provide richer and more contextualized findings. (Creswell & Creswell, 2017).

Data were analyzed using the interactive model proposed by (Miles et al., 2014), This means gathering data, summarizing data, presenting data, and making/confirming conclusions. In the first step, data was collected by the researcher through interviews, observation and documentation. The second stage is data reduction, which is the selection, focusing, simplification and structuring of the data related to the research objectives. In phase three, facts were described in a narrative fashion to help with interpretation and pattern recognition. Finally, conclusions were drawn and verified routinely during the study process to ensure that the interpretations were consistent with the data acquired in the field.

The research cycle was repeated iteratively. Data gathering and analysis were not distinct linear steps, but interwoven activities. Early findings from interviews and observation were continually compared with documentary evidence and later field data. This iterative procedure enabled the researcher to further sharpen the analytical focus, discover discrepancies, and enrich the interpretation of the MSME empowerment program implementation. This technique facilitated this study to know not only the formal existence of the program, but also the gap between the policy execution and the actual independence of the MSME operators at the village level.



3. RESULT AND DISCUSSION

The results of this study indicate that the implementation of the MSME empowerment program in Desa Curugciung, Kecamatan Cikeusik, Kabupaten Pandeglang has not yet run optimally in improving business independence. The program has been formally endorsed by the sub-district administration, village government, village consultative body and banking institutions, however the MSME players as the main target group have not experienced the implementation of the program fully. Based on the field findings, the gap between the policy structure and the actual experience of MSME players may be examined through four dimensions of policy execution, i.e. communication, resources, disposition and bureaucratic structure. The data also suggest that the business independence displayed by local MSME actors is more strongly built on their own initiative, experience, and adaptive capacity than on direct assistance from the empowerment program.

The results of the survey found 25 micro-enterprises in Desa Curugciung, which are 15 grocery shops, 4 fashion stores, 3 building material businesses, 2 food stalls, and 1 catering business. This distribution shows that the local economy is characterized by small-scale self-managed firms, which makes the empowerment support very significant to improve managerial quality, market access and company sustainability.

As indicated in Table 1, the overall findings reveal that a formal existence of each implementation dimension exists at the administration level, but the practical influence on MSME actors is limited.

Table 1. Summary of Findings on the Implementation of the MSME Empowerment Program in Desa Curugciung

Dimension	Main Findings	Interpretation
Communication	Information about MSME programs was conveyed from the sub-district to the village government, but many MSME actors stated that they had never received direct information about training, mentoring, or assistance.	Communication was established at the bureaucratic level, but transmission to the target group was ineffective.
Resources	The government stated that resources were available in the form of budget, training, and access to KUR financing, yet MSME actors reported that they had not received direct training, mentoring, or facilities.	Resources were formally available, but they were not distributed evenly to beneficiaries.
Disposition	Government institutions and supporting actors claimed to be committed to supporting MSME empowerment, but MSME actors did not experience sustained assistance or direct business guidance.	Policy commitment existed normatively, but practical responsiveness remained weak.



Bureaucratic Structure	Coordination among village government, sub-district government, BPD, and BRI was in place, but implementation mechanisms did not ensure equal access for all MSME actors.	Administrative structure functioned internally, but service delivery was not yet effective at the community level.
Business Independence	MSME actors were able to maintain and develop their businesses through experience, self-capital, customer relations, and adaptation to market conditions.	Business independence was predominantly self-developed rather than policy-generated.

Source: Processed by the author based on field findings, 2026.

Communication in Program Implementation

In the communication dimension, it shows that the empowerment initiative has been disseminated between implementing institutions, especially from the sub-district government to the village government. Cikeusik's Camat said that information about empowerment initiatives, skills training and funding support had been delivered to the local authority. Similarly the village leader said that knowledge distribution is being done through village deliberation forums and community meetings. But the communication initiatives did not fully reach MSME actors. The interviewed business actors always said that they never received any information on training, mentoring or business support from the government.

These results point to a communication gap between the bureaucratic level and the level of the beneficiary. Using Edward III's implementation model we cannot say that communication is effective, just because there is cooperation across institutions, it must be ensured that the content of the policy reaches, is understood and can be used by the target group. The finding supports the broader idea that empowerment programs are effective only when communication is inclusive and accessible to the intended beneficiaries. Communication in MSME growth is not only about transmitting information but also creating pragmatic access to opportunities, training and help. The inadequate impact of the program in Desa Curugciung is thus largely due to the inadequacy of policy communication to go beyond official administrative channels.

Resources and Unequal Access to Support

Results on the resource dimension showed a divergence between the perspective of policy providers and the experience of MSME actors. "Support has been prepared in various forms such as village budget allocation, skills training, home-industry development and access to KUR financing through Bank BRI," said government and institutional actors. The village authority admitted that the present empowerment programs were still sectoral, such as palm oil processing and chips manufacture training. "The BRI officer said KUR access was relatively open and loan procedures had been carried out systematically.

However, MSME players stated that they had never been involved in government-provided training, never got business facilities, and relied more on their personal cash or direct bank applications when they required additional funding. This suggests that the availability of resources at the institutional level did not inevitably transfer into effective support at the level of the target groups.

This is crucial because the criteria of resource sufficiency in the implementation of policy should be not just formal availability but also the real accessibility and utilization of resources. If there exist training, mentorship and finance mechanisms, but these are not experienced by the MSME actors, then the resource dimension of the program is inadequate in practical terms. This further strengthens the point that empowerment is not only about providing resources but also about effective delivery,



targeting and continuity. Hence, the minimal policy impact on company independence in Desa Curugciung was contributed by the limited reach of these resources.

Disposition and the Limited Translation of Commitment into Action

The disposition dimension refers to the dedication, responsiveness, and willingness of implementing actors to continuously implement the program. In this study, the government institutions and supporting players such as the BPD have demonstrated their commitment to promote the MSME empowerment. The BPD reported that it had performed its monitoring and advisory functions on village budgeting and empowerment implementation. From a government standpoint, this implies that institutional players were cooperative and normatively supportive of the empowerment program.

However, this commitment was not seen as direct aid by the MSME actors. Some respondents said that in the more than ten years that they had operated their business, they had never been visited, coached, or given regular guidance by the village government. One business actor further stated that when more capital was needed, the application for KUR was directly to the bank without any facilitation from the local authority.

The scenario points to the fact that the disposition at the implementing level was declarative rather than operational to a great extent. In the execution of policies, commitment should be demonstrated by tangible and sustained acts that can be seen by the recipients. The lack of direct mentorship, coaching and follow-up indicates that the policy has not been absorbed as a service responsibility to MSME actors. Thus, the program was not perceived as a continuous empowering endeavor, but as fragmented and restricted number of efforts. This helps to explain the weak contribution of the programme to promoting company independence in the study area.

Bureaucratic Structure and the Limits of Administrative Coordination

The results related to bureaucratic structure reveal that cooperation across institutions occurred in a formal way. The sub-district government, village government, BPD and BRI have implemented their functions within the administrative structure. The KUR mechanism ran according to banking procedures and it was claimed that BPD coordination with the village government was going well. This implies that inside the bureaucratic structure had basic organizational and procedural arrangements.

However, the study also indicated that these mechanisms were not enough to ensure that the empowerment program reached MSME actors evenly. The implementation structure was still more oriented to inter-institutional coordination than service effectiveness for beneficiaries. The program evaluation was also not yet strongly based on the perceived advantages by the MSME actors. The administrative side of empowerment was thus completely implemented by the bureaucratic apparatus, but not the service-delivery aspect.

From an implementation point of view this suggests that the policy mechanism was procedural rather than substantial. A policy structure can look functional from inside the institutions, but may not be beneficial from the point of view of the target groups. To empower rural MSMEs, a governmental structure that is responsive should have participatory planning, targeted outreach, monitoring, and evaluation based on the actual needs of the business players. These features are still limited such that the bureaucratic system in Desa Curugciung has not yet been entirely successful in supporting the empowerment of MSME.

Business Independence as Self-Developed Independence

One of the most notable findings of this study is that MSME players in Desa Curugciung had a pretty strong level of business independence even when the empowerment program had a limited impact. This encompasses the ability to maintain business continuity over many years, manage day-to-day operations, make business decisions, develop in response to market need and build customer connections. Yet the transactions of these enterprises remained mostly uncomplicated; for example, there was no clear distinction between personal and commercial accounts.

The data indicate that the empowerment intervention by the government has less influence on the commercial independence of the village as compared to the internal elements like entrepreneurial



experience, self-motivation, inventiveness and adaptive capacity. Therefore, the independence discovered in this study is best termed home-grown independence. This is an important analytical argument, as it contradicts the premise that the mere survival of MSMEs is an indicator of successful implementation of policies. Businesses in Desa Curugciung survived and, in some cases, grew, but this growth was primarily due to entrepreneurs learning through doing, using personal resources, adapting to client needs and autonomously seeking access to financing when needed.

This finding supports the argument that the success of the policy should not be only evaluated based on the number of MSMEs or their survival but on the degree to which the public intervention contributes to increasing their managerial capacity, productivity, competitiveness and sustainable autonomy. Thus, the MSME actors in Desa Curugciung can be seen as relatively independent, but their independence cannot yet be credited to the successful MSME empowerment initiative. Instead, the findings demonstrate a mismatch between program goal and practical outcome, which becomes the core contribution of this work.

Discussion of the Main Contribution of the Study

The results of this study show that the execution of the MSME empowerment program in Desa Curugciung has not had a major contribution to the establishment of business independence. The program has existed formally, some institutional mechanisms have worked administratively, but the four elements of implementation have not yet been functioning in an integrated and beneficiary-oriented way. At the bureaucratic level there was broken communication, unequal sharing of resources among corporate actors, institutional commitment not converted into ongoing support and bureaucratic coordination not ensuring effective service delivery. In such situations, the independence of MSME players was mostly achieved by their own efforts.

This study contributes to the understanding of rural MSME empowerment by explaining that policy implementation and company independence should not immediately be considered as directly similar. There may be resilient MSMEs in a community but the empowerment implementation can be weak. This distinction is crucial for public administration and rural development studies, because it highlights the actual quality of policy delivery, rather than the existence of policy programs. Based on these results, the effort to increase empowerment of MSMEs in rural regions requires more extensive socialization, direct mentoring, broader coverage of training, more participatory evaluation, and closer integration between village administration, sub-district institutions, and supporting financial actors. Thus, the empowerment can shift from administrative formalities to substantive capacity building for MSME actors.

4. CONCLUSION

This study also shows that the business independence demonstrated by MSME actors in Desa Curugciung was shaped primarily by their own initiative, experience, creativity, and adaptability rather than by direct outcomes of the empowerment program. Therefore, the sustainability of MSMEs in the village should not be interpreted automatically as evidence of successful policy implementation. The main contribution of this study lies in showing that there is a gap between the formal existence of an empowerment policy and its actual impact on the capacity and independence of MSME actors in rural areas.

The research also showed that the independent business of MSME players in Desa Curugciung was mostly formed from their own initiative, experience, innovation and flexibility, not from the direct results of the empowerment program. Therefore, the viability of MSMEs in the village should not be taken as an automatic proof of good policy implementation. The fundamental contribution of this research is to highlight the difference between the nominal existence of an empowerment policy and its real influence on the capacity and independence of MSME players in rural areas.

The strengthening of MSME empowerment based on these findings demands more intensive and direct socialization of programs, wider access to training and mentoring, better coordination among local institutions, and a more participatory method for evaluation based on the genuine



requirements of MSME actors. This empowerment programs can transcend administrative formality and serve more effectively as a tool to foster lasting corporate independence.

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