

# SME Economic Empowerment through Vocational Village Program in Ngunut Village, Jumantono Sub-District, Karanganyar Regency

Alan Sigit Fibrianto<sup>1</sup>, Badrus Sholeh<sup>2</sup> and Syamsul Bakhri<sup>1</sup>

<sup>1</sup>*Sociological Postgraduate Program, Universitas Sebelas Maret, Surakarta, Indonesia*

<sup>2</sup>*Economics Education Department, Universitas Pamulang, Indonesia*

{alansigitfibrianto53, senjabarat12}@gmail.com, s\_bakhri@rocketmail.com

**Keywords:** Vocational Village, Economic Empowerment, AGIL.

**Abstract:** Ngunut Village is one of vocational village in Karanganyar Regency, some of government's themes are related to tailoring, payet, snack, instant medicinal herb, and ear and oyster mushrooms business groups. There are some agents involved in it with the corresponding villagers being the object of vocational village empowerment program, the government being the policy makers related to the program organized in vocational village, and the students of college being the facilitators attempting to develop and to facilitate the government's vocational village program. This study aims to explore problems in vocational villages and attempt to solve existing problems with four Talcott Parsons imperative concepts gradually starting from adaption (A) process, goal attainment (G) process, integration (I) process, to latency process (L). This research employed a qualitative method with case study approach, and observation and interview as the main techniques of collecting data, and source triangulation to validate the data. The result of research showed that there were some constraints in which the programs released since a long time ago had been vacuum. In addition to those constraints, there was a new challenge in which individual elements, both government and college along with society, develop the new existing potencies. Thus, the vocational village is created with clear programs adjusted with community's business and creativity and capable of synergizing the related elements in its development.

## 1 INTRODUCTION

Micro-, small-, and medium-scale enterprises (SMEs) have important and strategic position, potency and role in achieving the objective of economic development. SMEs are a business activity attempting to expand job opportunity, contributing to the process of distributing and improving the people's income evenly, encouraging the economic growth and contributing to realizing stability in economic sector. SMEs contribute substantially to gross national product establishment, export improvement and job and business opportunity expansion, evenly income distribution and improvement. The existence of SMEs is inseparable from national economic growth as small-scale enterprise is the manifestation of economic life of most Indonesian people, in the attempt of building micro-, small-, and medium-scale enterprises or called SMEs sub-sector of national economy. SMEs get priority to be built and developed in order to reinforce pro-people economy. The existence of small and medium employers is the

manifestation of most Indonesian people's economic life. Such position puts the sector onto main way of developing pro-people economic system. In realizing the development of national business, small- and medium-scale enterprise should be built in order to develop independently and efficiently to improve the people's income, to create job opportunity, and to improve its role in supplying product and service and various domestic or foreign components. Industrial sector including both large and micro-, small-, and medium-scale ones are one sector contributing to the national economic growth. Therefore, the development of individual subsectors should be conducted sustainably and building program should be developed continuously corresponding to the character and problem encountered.

In the presence of problems faced by Small- and Medium-Scale Enterprises (SMEs) in Ngunut Village, Jumantono Sub District, Karanganyar Regency, the participation of government, particularly Cooperative and SMEs Office of Karanganyar Regency, is required in growing and

developing SMEs especially in Karanganyar Regency Area, thereby becoming a productive and developing small enterprise in the future. Ngunut Village is a Vocational Village, in which there are some business groups, the existence of which has faded and been extinct today. In addition, there is a role of College students in collaboration with government in conducting *Kuliah Kerja Nyata* (KKN) (Student Study Service) program themed vocational village taken place in Ngunut Village. This study aims to explore the existing problems and focus on solving problems with the concept of theory used.

The analysis is conducted using Talcott Parson's structural functional theory with AGIL concept. Discussion on Parson's structural functionalism is inseparable from the four functional imperatives for all action systems, with its famous scheme called AGIL (*Adaptation, Goal attainment, Integration, Latency*) Concept. *Adaptation* means that a system should deal with the urgent need that is situational external in nature, in which the system should adapt to its environment and adapt the environment to its needs. *Goal attainment* means that a system should organize the relationship of components, and that between three other functional imperatives (A, G, I). *Latency* means that system should provide, maintain, and reform both individuals' motivation and cultural patterns creating and supporting the motivation (Ritzer, 2012). From the scheme, it can be concluded that the classification of system function can be summarized as follows: *Latency* (internal tool), *integration* (internal result), *Goal attainment* (external result), *Adaptation* (external tool) (Susilo, 2008).

Considering the elaboration above, the author is interested in conducted a research entitled "SME Economic Empowerment through Vocational Village Program in Ngunut Village, Jumantono Sub District, Karanganyar Regency".

## 2 METHODS

In this research, the author employed a qualitative research method with case study approach. The case study approach is a research conducted intensively, in detail, and in-depth on an organization, institution or certain phenomenon (Arikunto, 2006). Case study can be defined as a research method or strategy and the result of research on certain case, all at once. Case study is understood as the approach to study, to inform, and to interpret a 'case' in its natural context without outsider intervention (Salim, 2006). Overall, the case study design can be justified in certain

conditions: (a) the case raises an important test on the existing theory, (b) is a scarce or unique event, or (c) is related to disclosure objective (Yin, 2014). This research was taken place in Ngunut Village, Jumantono Sub District, Karanganyar Regency, as one of Vocational Village. Techniques of collecting data used are observation, interview, and documentation. Data validation was carried out using source triangulation technique. Technique of analyzing data used encompassed four stages: data collection, data reduction, data display, and conclusion drawing or verification.

## 3 RESULT AND DISCUSSION

The result of research shows that there is a main problem pertaining to vocation program application in Ngunut Village. This government's vocational village program aims to explore the natural resource potency and to develop the local human resources, that later will end up with the improvement of villagers' economic quality. Government applies five vocational programs in Ngunut Village including, among others, tailoring, *payet*, snack, instant medicinal herb, and ear and oyster mushrooms business groups. Government cooperates with college to contribute to developing and facilitate the society as business performer in vocational village. It is expected that any program implemented by government can run well and can improve not only human resource but also family income thereby leading to improving the economic quality of society.

The college involved in vocational village development, among others, is Sebelas Maret University located in Surakarta City, by holding Vocational KKN. Vocational KKN program in Ngunut Village is designed to facilitate the business originally has been established by government through developing Vocational Village. After the business group has been established, it is expected that currently it still run well and can be an independent business group. There are five business groups established by government: tailoring, *payet*, snack, instant medicinal herb, and ear and oyster mushrooms business groups. However, in fact, those five business groups have long been vacuum. It was because primarily there is no periodical facilitation from government, and capital becoming the main problem. Because the government's program, has long been vacuum, to restart it from the beginning, capital and facilitation are required for the business performers, when the program wants to keep being implemented. Meanwhile, some business groups

develop in the village, some of them are the surviving ones and some others are new business created by the local people themselves. Some business groups have run well. Some business groups still run well corresponding to the government's theme in vocational program, tailoring, instant medicinal herb, and mushroom. However, those three businesses are not consistent with vocational program intended to create group corresponding to the original design. Originally, when business groups were established by government through vocational village, many people of Ngunut people attended the program enthusiastically in throng and operated the business by creating joint venture (*Kelompok Usaha Bersama* = KUBE). Initially, this activity ran smoothly when direction and socialization was done by government. However, the inadequate comprehensive and serious facilitation from government made joint venture groups created originally fade and cease. There are only some individuals still surviving, for example: tailoring, instant medicinal herb, and mushroom. However, those businesses operated individually rather than in joint venture. Even new businesses arises from Ngunut Village such as leather chips, animal breeding (cat fish, broiler chicken, egg layer chicken, and cow breeding), but these businesses also run individually rather in venture group. College students contribute to empowering the joint venture group in Ngunut Village through Vocational KKN (Student Study Service) under University and government guidance. So the role of students should be flexible, as students as the facilitator developing vocational village program obtaining full support and help with the involvement of lecturers (as academician that can contribute their scholarship) from university and government (as the policy maker and the provider of facility needed by students in developing vocational village), in order to implement the government's objective and service to society to solve the existing problem. Students as the 'agent of change' can bridge the community and government, and university, with any complete component existing in each of those elements. Thus, the role of students is very important in exploring any problem existing, dealing with the existing problem, and facilitating completely during service period aiming to focus on developing the vocational village program.

When related to Talcott Parsons' structural functionalism theory, emphasizing on AGIL (*Adaptation, Goal attainment, Integration, Latency*) concept, the implementation of vocational village program should be conducted synergistically between many parties for the sake of business sustainability.

Adaptation is desirable; in this case any new policy indeed needs habituation thereby becoming common and accustomed. Adaptation can be defined as self adjustment to something. In the enactment of certain system or the implementation of certain policy, one initial step to be taken is to make adaptation, trying to adapt system or policy to the existing culture, so that through this habituation process, individual can adapt well to and can accept something new or the preexisting one. The application of vocational village program should adapt to village potency, either natural or community potency. Government should adapt any program enacted to the field and can infer what should be done. Community as the object of vocational village object should be collaborative and should move together to achieve the collective objective, the impact of which will be felt by the community itself. The students can also be collaborative not only with community but also with government and lecturers. Thus, adaptation process can run maximally.

In addition, the application of a certain policy or system certainly has purpose and objective to be achieved and approved mutually (Goal attainment). Therefore, in this case, every application of policy or certain system has an objective achievement. There is a final objective being the collective priority, there is an expectation of creating a consensus, thus the idealized objective can be realized through a process performed together. To realize the objective together, there should be harmonious thinking from many elements involved. The essence is the creation of a view on the achievement what has been approved in consensus. As such, the objective has been clear, and then how to achieve the objective through the program implemented. Every element serving as the agent should be able to view harmoniously the program and every design implemented in the application of vocational village program. The program should be adjusted with field condition and situation. In addition, the problem existing considered as important should be analyzed in order to create solution collectively. So, the knowledge of all elements as the agent is very important to field condition and to give alternative solution to the improvement of program, so that the mutually approved objective in one view can be realized maximally.

To achieve the objective, there should be an integration of some elements involved that can move synergistically. In this stage, other three components should be managed, from adaptation, objective achievement and latency. Because this integration determines how every component runs, adaptation is

needed to adapt to any field situation and condition inseparable from the elements contributing to the system. The objective will not be achieved successfully when every element does not run well. Every defect element will yield a less maximal output. Therefore, there should be an integration that can unite everything, from the involvement of all related parties, agent's role, to technical matter in the field related to the program conducted. Everything should run synergistically, or otherwise the idealized objective will never be realized as expected. It is intended merely to create synergy and good integrity between government, colleges, and society.

Thus, it will eventually create a relationship between policies, habituation, synergy, integrity, and the objective to be achieved. Before going to the next stage, *latency*, there are some challenges to be coped with from the problems arising in the implementation of vocational village program in Ngunut Village, Jumantono Sub District, Karanganyar Regency. Because, before the challenge is addressed, the next stage concerns the maintenance of pattern that has been able to address the problem occurring. Somehow, this pattern maintenance is the final element of AGIL concept, the presence of which is needed for the harmony and the sustainability of three previous imperative concepts, A, G, and I. The first challenge is that adaptation is needed for the process of adapting vocational village program to the businesses starting to develop and survive in Ngunut Village. It is because the program created originally has no longer run. So, it expected that there should be an adaptation of vocational program to the potency existing in the village, by considering society's business and creativity existing in Ngunut Village, so that the government policy through vocational village program can adapt to the field condition. Policy is not absolute and can be changed, so considering the condition of Ngunut Village, there should be an improved government policy related to the programs implemented. Thus, vocational village program can be harmonious with the existing activity in the field. Thus, the college students serve to be agent or facilitator in vocational village program development. In addition, because the role of students as facilitator has limited time, because students service program through Vocational KKN of College only runs for several months only, so that there should be a reporting on action result and gain of each period. Thus, this report is not only a formality requirement but also a reference for Vocational KKN students to continue what has been done by the Vocational KKN students in previous period. Thus, facilitation can be done sustainably. Because so far the report on

Vocational KKN activity is considered as merely formality, it is utilized inadequately as the follow-up action. Thus, the less supporting old pattern should be abandoned and replaced with the new more supporting one, using report on Vocational KKN result as the database for the activity in next period in the same location, thereby can formulate the further steps (measures) sustainably. Thus, the result will improve continuously, and no same error will be repeated in every period. So the role of students as facilitator will keep directed. The community as the performer (actor) of vocational village program will be helped and motivated in operating SMEs. These SMEs should be facilitated in vocational village program. The fact in the field shows that every SMEs not belonging to the vocational village program theme, SMEs do not become development priority, while every SME in Ngunut Village highly needs support in its business development. Therefore the next challenge is the government's seriousness in implementing vocational village program. The government should adapt to field condition and situation and can facilitate every SME highly needing support. Any vocational program that has been vacuum should be replaced with SMEs running in Ngunut Village, and the next step is to integrate any SMEs developing with the vocational village program, so that they can be facilitated. It is conducted to create social envy, to prevent discriminative assumption from appearing to certain SMEs, and to generalize any SMEs needing facilitation. The next challenge is integration, integrating all SMEs into the vocational village program, and any same SMEs are classified into an association or joint venture group (*KUBE*), in order to establish mutually supporting relation, as the means of discussing together to talk about business performed, sharing information, sharing insight, giving input and establishing cooperative for the joint venture sustainability as well as integrating every elements involved (villagers, government and college) in order to answer the existing problem and to give the best solution and to focus together on the development of vocational village programs harmonize previously, rather than a means of competing with each other.

Therefore, a tidily organized behavior pattern will be created. The next stage is latency. After the pattern has been established, it should be maintained in order to be enacted continuously and sustainably. As long as it is positive in nature, the pattern created will result in a positive benefit and will likely everlasting. In this way, AGIL concept can solve this problem.

## 4 CONCLUSION

Vocational village program in Ngunut Village, Jumantono Sub District, Karanganyar Regency, involved three elements: villagers, government and college students. There are five vocational village programs in Ngunut Village: tailoring, *payet*, snack, instant medicinal herb, and ear and oyster mushrooms business groups. However, some of those programs have ceased, and other new businesses grow from the villagers' creativity out of the vocational village program theme. There should be adaptation process, mutual objective, integration, and pattern maintenance. Synergy is required between related elements: villagers, government, and college students to solve the problem collectively.

Vocational village program is expected to facilitate any SMEs developing in Ngunut Villages and to run well by integrating any SMEs, classifying the similar business groups, integrating the role of related elements, and having collective objective, thereby running harmoniously and sustainably and improving the economic quality of corresponding community.

## REFERENCES

- Arikunto, Suharsimi. 2006. *Prosedur Penelitian: Suatu Pendekatan Praktik*. Jakarta: Rineka Cipta.
- Ritzer, George. 2012. *Teori Sosiologi: Dari Sosiologi Klasik Sampai Perkembangan Terakhir Postmodern*. Yogyakarta: Pustaka Pelajar.
- Salim, Agus. 2006. *Teori dan Paradigma Penelitian Sosial*. Yogyakarta: PT Tiara Wacana.
- Susilo, R. K. D. 2008. 20 Tokoh Sosiologi Modern – Biografi Para Peletak Sosiologi Modern. Yogyakarta: Ar-Ruzz Media.
- Yin, R. K. 2015. *Studi Kasus – Desain & Metode*. Jakarta: Rajawali Pers.