



Optimization of Home Industry Products in Gempol Kolot Village in Regional Market Competition Karawang Regency

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ARTICLE INFO	ABSTRACT
Received: Jul 25, 2024 Accepted: Oct 6, 2024	Development is a process that each country undertakes to achieve its ideals and goals, but often faces obstacles and falls short of expectations. The global economy has been impacted by the COVID-19 pandemic, affecting countries like Indonesia and posing challenges for local governments in terms of economic development. As a result, researchers are focusing on examining the quality of regional economic development, with a particular emphasis on the local industrial sector. This study utilises a combination of quantitative and qualitative methods to delve into the issue. In Gempol Kolot Village, planning indicators for village development have reached 61%, implementation has reached 67%, and supervision has reached 76%. Additionally, regarding development quality, social indicators stand at 80%, environmental indicators at 90%, and economic indicators at 58%. Consequently, MSME products from Gempol Kolot Village have managed to establish a presence in the regional market of Karawang Regency, although their marketing efforts are still primarily focused on traditional markets. There is hope that these products will eventually expand into the modern market and compete successfully.
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INTRODUCTION

Development can be interpreted as a process that leads to the improvement of all aspects of life in society. The distribution of population in Indonesia is spread to rural areas, according to Zulkarnaen in (Wahed et al., 2020). Furthermore, in an effort to build independence, development needs to be directed to the rural level so that the central point of development starts from rural areas. In addition, rural areas became the main centers of economic development. This is because the village is the initial sector of the turnover of a country's economic activities. The rural area is the smallest political unit of government with all its potential. Starting from the number of inhabitants and the availability of abundant natural resources (Rahayuningsih et al., 2019). These two potentials will provide great benefits for improving the welfare of rural communities if managed optimally. However, until now the development process in rural areas still has many disadvantages, for example: 1) the quality of human resources (HR) is still low; and 2) financial capabilities are also relatively small. To overcome this problem, the government has made various efforts through the injection of various funds for village development programs, one of which is through Village-Owned Enterprises or also known as *Badan Usaha Milik Desa* (BUMDes).

Gempol Kolot Village, Banyusari District, Karawang Regency is a village with rural status and a classification of independent villages, has an area of 2.57 km² with a population of 3,992 people (BPS Karawang Regency, 2022). The existence of Gempol Kolot Village is still not well known by the people of Karawang Regency, this was conveyed by Sunardi as the Head of Gempol Kolot Village. Sunardi admits there is nothing special in his village. Damaged roads, very high poverty and human resources with low education became the interpretation of Gempol Kolot Village at that time.

Table 1. Development in Karawang Regency Index

	2020	2021	2022
Status Indeks Desa Membangun (IDM)	Underdeveloped Villages	Developing Villages	Developing Villages
IDM Value	0,583	0,6071	0,6256
Percentage of Social Quality Index	43,77%	42,30%	40,51%
Percentage of Economic Quality Index	29,54%	28,40%	31,07%
Percentage of Environmental Quality Index	26,68%	29,30%	28,40%

Development in Gempol Kolot Village began with a focus on infrastructure first, after the village roads began to improve, the village economy was developed, including by building the creative economies of the village community. Currently, there are almost 600 heads of families engaged in creative economy ventures. In its implementation still uses the capital loan system. However, the community still regards it as village assistance, so there is a miscommunication and a delay in payments. In the future, it will still be retried with due regard to strict borrowing requirements and procedures. In addition to the creative economy, business development through BUMDes is also carried out, first by developing the cultivation of merang mushrooms. However, currently its business is experiencing a drastic decline, therefore the village government is trying to explore other potentials for BUMDes, in addition to that an overhaul of the structure of BUMDes for regeneration (Suwandi, 2021).

Based on the description above, the following problems are formulated, namely how to optimize creative economy products, especially home industries in Gempol Kolot Village in the Regional Market Competition of Karawang Regency. The purpose of this study is to improve the economic wheels of the Gempol Kolot community by expanding the market from home industrial production and increasing the role of BUMDes.

RESEARCH METHOD

Types of research

This study utilises a blended methodology, which combines qualitative and quantitative methods. It encompasses philosophical beliefs, the application of both types of methods, and the integration of both in the research process. Therefore, it goes beyond just collecting and analysing data of both kinds. It also involves employing both methods simultaneously to ensure the study's overall robustness surpasses that of purely qualitative or quantitative research (Creswell & Creswell, 2017).

Data collection techniques

Sequential mixed methods involve researchers expanding their understanding of a method by incorporating elements from another method. This can entail beginning with a qualitative interview for exploration and later transitioning to quantitative research methods with a larger sample size to make broad conclusions. On the other hand, researchers may opt to start with a quantitative approach to test a theory, and then switch to a qualitative method for a more in-depth analysis using a small number of cases or individuals. This study commenced with a quantitative method before transitioning to a qualitative approach.

Object and subject research

In this study, for quantitative survey is using two instruments. The first instrument (called with instrument A) is used to reach an information about the development conditions in Gempol Kolot. The sampling in the first instrument is using a cluster sampling technique, a method of taking random samples

with the difference that each sample unit is a group or cluster and elements. (6) The population for that instrument amounted to 1237, based on (BPS Kabupaten Karawang, 2022). Because the population is more than 100, the Slovin formula is used with the significance level is 0,1. Then, total sample of 93 residents is obtained. Next, the second instrument (called instrument B) used to reach an information about the economic development, especially at home industry production. The sample is almost of the producer of home industry. Exactly, are 21 producers. Then, for the qualitative method is reaching information from the people with interview. The people criteria are leader of local government, the home industry producers, and the public.

Data analysis technique

The data analysis technique for quantitative survey is using basic statistic for the instrument A, descriptive quantitative for the instrument B. Each of instrument is testing with validity test, reliability test, and normality test.

RESULT AND DISCUSSION

Village Development: The struggle against the impact of the pandemic

Development involves enhancing the overall quality of life for individuals by raising their standard of living, self-worth, and independence. Development must therefore be understood as heterogeneous process that involves not only accelerating economic growth, reducing, reduction inequality and eradicating poverty, but also profound changes in social structures, public attitudes, and state institutions. In essence, evolution is a state of life in which a social system as a whole is perceived as better, materially and spiritually, in line with the basic needs of divers and the evolving aspirations of individuals and social groups within that system. It must represent any change away from (Michael P Todaro & Smith, 2011).

For any society to progress, it is essential to achieve three main objectives: firstly, ensuring the widespread availability and equitable distribution of essential needs such as food, housing, healthcare, and safety. Secondly, raising living standards by enhancing income levels, providing more jobs, offering better educational opportunities, and promoting cultural and human values. These advancements not only elevate material wealth but also lead to personal growth and foster a sense of national pride. Lastly, it is crucial to expand the variety of economic and social choices for individuals and nations, liberating them from reliance on external relationships and the negative impacts of ignorance and suffering (Michael P Todaro & Smith, 2011).

The COVID-19 pandemic is an unprecedented global crisis that is impacting people on a personal scale and leading to important outcomes. This extraordinary occurrence has led to upheaval in countries and societies around the world and is having a damaging impact on the worldwide economy in 2020 to a degree not seen in almost a hundred years (Weiss et al., 2020). According to the research conducted by Rowland, Christopher, and Peter Whoriskey, the effects and magnitude of this pandemic have never been seen before (Weiss et al., 2020). During the onset of the COVID-19 crisis, the worldwide economy was already facing difficulties in terms of making a full recovery. The growth of the global economy was being hindered due to an increase in trade protectionism, disputes between key trading nations, declining prices of commodities and energy, and ongoing uncertainty in Europe regarding the effects of the UK's departure from the EU. These issues posed challenges to the global economy individually, but when combined, they served to undermine global economic stability and reduce the options for policy-making among many national leaders, particularly those in developed countries. The COVID-19 crisis is not just a worldwide health issue, it is also having an effect on Indonesia's economy. Indonesia's growth could potentially decline by 0.4% in a worst-case scenario. The household sector is facing the most impact from the pandemic (Susilawati et al., 2020).

Restoring the village's social and economic conditions certainly needs to be a priority and this is in line with the country's economic recovery agenda. It's also important to adapt new habits to the upheaval caused by the COVID-19 pandemic. There is no doubt that not only central and local governments, but society at all levels, including rural communities, will work together to regenerate. It is crucial for the effectiveness of programs put in place in 2021 to revive the economic situation. The impact of the global crisis brought about by the pandemic has been severe on social and economic aspects, particularly on villages that rely on village tourism to sustain their economies (Salim, 2023). Tourism has been significantly affected by the COVID-19 pandemic, affecting both popular destinations in the region and tourist villages. Economic recovery initiatives are expected to persist at various levels, whether at the central, regional, or local village level. Support for village communities is particularly strong through various programs funded by village resources. The village fund is seen as a means for speeding up the economic recovery process as intended. It is believed that village funds can help address the community's economic needs during the pandemic (Karim et al., 2021).

The quality of village development can be reviewed by community involvement in the implementation of development itself. Because in fact development without community participation is an impossibility. In this regard, it is explained in (Law of the Republic of Indonesia Number 6 of 2014 concerning Villages, 2014) Article 78 outlines the goal of village development, which is to enhance the well-being of rural areas and improve the quality of life of inhabitants while also addressing poverty by providing essential services, constructing infrastructure, tapping into local economic opportunities, and promoting sustainable utilization of natural resources and the environment. This process involves planning, executing, and overseeing various initiatives. The initiatives, projects, events, and requirements of Village Development, as described in Article 80, are designed after a thorough evaluation of the village community's necessities which includes: a) Enhancing the standard and availability of essential services; b) building and upkeeping infrastructure and the surroundings using technical expertise and resources at hand; c) fostering a sustainable agricultural economy; d) utilizing suitable technology for economic advancement; and e) enhancing the order and tranquility within the village community according to their requirements.

Table 2. Gempol Kolot Development Quality (Village Development Indicators)

Dimension	Indicator	Total Score	Average Score	Percentage
Village Development	Planning	571	3,069892473	61%
	Implementation	623	3,349462366	67%
	Supervision	711	3,822580645	76%
TOTAL		1905	3,413978495	68%

Based on the table above, it can be seen that the results of instrument A on the Dimension of Village Development, interpret the development conditions in Gempol Kolot Village. The data collected from 93 respondents stated the results that the development of Gempol Kolot Village on planning indicators reached 61%, implementation indicators reached 67% and supervision indicators reached 76%. With the final result of development in Gempol Kolot Village, it reached a value of 68%. This is also in line with the community's statement that in terms of development planning, the village government prioritizes the participation of the heads of RT and RW, community leaders or scholars. For the general public, such as farmers rarely getting involved, this is also based on village deliberation activities that clash with the working hours of the farmers.

In addition to the perspectives of community participation in development, the quality of development can be reviewed through development conditions with established general aspects. Researchers use development aspects referring to the assessment indicators of the Building Village Index (IDM).

Table 3. Gempol Kolot Development Quality (IDM Indicator)

Dimension	Indicator	Total Score	Average Score	Percentage
Development Quality	Social	373,65	4,017741935	80%
	Environment	419,5	4,510752688	90%
	Economics	189	2,913978495	58%
TOTAL		1355,8	3,865053763	76%

Based on the table above, it can be seen that the results of instrument A on the Dimension of Development Quality, interpret the development conditions in Gempol Kolot Village. The data collected from the 93 respondents stated the results that the quality of development of Gempol Kolot Village on social indicators reached 80%, environmental indicators reached 90% and economic indicators reached 58%. With the final result, the quality of development in Gempol Kolot Village reached a value of 76%. This is also supported by a community statement that said that in the last three years the Gempol Kolot village government has tried to carry out development maximally. With a priority focus on physical development, including casting paths, making foundations in rice field waterways, building ECCE education buildings, and even field construction. Economic indicators found the lowest value, besides that many people still think of difficulties in the economy, especially in the post-pandemic period. Employment is considered to be decreasing but with increasing competition. In addition, the community's economic operations are also affected by the absence of a village market, which is one of the super priority developments and must be completed immediately (Direktorat Jendral Pembangunan Desa dan Perdesaan, 2022).

Economic Development: The Existence of Home Industry Products in Regional Markets.

Economic progress takes many years to achieve, rather than happening quickly. It is crucial for enhancing the overall quality of life. To reach our full potential as individuals and communities, ongoing and sustainable economic growth is essential (Michael P Todaro & Smith, 2011). The United Nations Development Program (UNDP) provides an annual Human Development Report that includes the Human Development Index (HDI), which assesses a country's socioeconomic development through factors like education, health, and income. According to the BPS Karawang (2022), the Human Development Index in Karawang Regency was 70.86 in 2019, dropped to 70.66 in 2020, and rose to 70.94 in 2021.

A section of an economy, which has four different applications in economic growth: technology (both modern and traditional industries); operation (industry or product group); commerce (export industry); and realm (private and public sectors) (Todaro & Smith, 2011). Economic development in Gempol Kolot Village focuses on aspects of activity, namely production. Mainly on the activities of home industrial products. Some of these aspects of production include the cultivation of merang mushrooms, the home industry of making bread, the home industry of making tempeh, the home industry of pastries (Opak, Rengginang, Teng-Teng, Semprong, Kembang Goyang), and the home industry of wet cakes (Engka, Bibika, Lapis, Bolu).

Business success is a goal expected by every business actor. According to Dwi Riyanti. stated that business success is a level of achieving organizational results or goals. (Sugiyati, 2022) Significant indicators of business prosperity can be identified through: a) rising capital funds or assets; b) production volume; c) customer base size; d) business growth; e) widening market reach; f) operating income; g) repair of physical means. To find out the success of the MSME actors' businesses in Gempol Kolot Village, a survey was distributed to 21 of the total 26 MSME actors.

Table 4. Business Success on MSMEs in Gempol Kolot Village

Indicator	Values	Values						N
		1	2	3	4	5	6	
Number of Productions	Values	<100	<300	<500	<700	<1000	>1000	N
	Frequency	0	1	6	12	2	0	21
	Percent	0,00%	4,76%	28,57%	57,14%	9,52%	0,00%	100%
Selling Price	Values	< Rp. 10.000	< Rp. 20.000	< Rp.30.000	< Rp. 40.000	< Rp. 50.000	> Rp. 50.000	N
	Frequency	1	5	4	11	0	0	21
	Percent	4,76%	23,81%	19,05%	52,38%	0,00%	0,00%	100%
Number of Repeat Customers	Values	< 10 Person	< 20 Person	< 30 Person	< 40 Person	< 50 Person	> 50 Person	N
	Frequency	2	0	8	5	5	1	21
	Percent	9,52%	0,00%	38,10%	23,81%	23,81%	4,76%	100%
Market Reach	Values	In-Village	Inter-Village	in Subdistricts	Interdistricts	In-District	Inter-District	N
	Frequency	0	1	2	10	5	3	21
	Percent	0,00%	4,76%	9,52%	47,62%	23,81%	14,29%	100%
Capital	Values	< Rp. 1.000.000	< Rp. 2.000.000	< Rp. 3.000.000	< Rp. 4.000.000	< Rp. 5.000.000	> Rp. 5.000.000	N
	Frequency	0	1	10	8	2	0	21
	Percent	0,00%	4,76%	47,62%	38,10%	9,52%	0,00%	100%
Sources of Capital	Values	Other Loans	Bank Loans	Investment	Government Programs	Personal	Business Profits	N
	Frequency	2	2	0	2	9	6	21
	Percent	9,52%	9,52%	0,00%	9,52%	42,86%	28,57%	100%
Advantage	Values	< Rp. 1.000.000	< Rp. 2.000.000	< Rp. 3.000.000	< Rp. 4.000.000	< Rp. 5.000.000	> Rp. 5.000.000	N
	Frequency	0	0	3	11	7	0	21
	Percent	0,00%	0,00%	14,29%	52,38%	33,33%	0,00%	100%
Loss	Values	> Rp. 5.000.000	< Rp. 5.000.000	< Rp. 4.000.000	< Rp. 3.000.000	< Rp. 2.000.000	< Rp. 1.000.000	N
	Frequency	0	0	0	9	9	3	21
	Percent	0,00%	0,00%	0,00%	42,86%	42,86%	14,29%	100%

Based on the table above, the following results were obtained:

First, in the production results, it is known that 12 out of 21 respondents of MSME actors increased the amount of production up to <700, then as many as 6 out of 21 respondents reached the amount of production up to <500, followed by as many as 2 out of 21 respondents reached the amount of production up to <1000 and as many as 1 in 21 respondents reached the amount of production as much as <300.

Second, at the selling price, 11 out of 21 respondents set a price < Rp. 40,000 per product, 5 out of 21 respondents set a price < Rp. 20. 000 per product, 4 out of 21 respondents set a price < Rp. 30,000 and 1 in 21 respondents set a price < Rp. 10,000.

Third, in the number of regular customers, 8 out of 21 respondents had up to < 30 customers, 5 out of 21 respondents had up to < 40 customers, 5 out of 21 respondents had up to < 50 customers, 2 out of 21 respondents had up to <10 customers, and 1 in 21 respondents had more than 50 customers.

Fourth, in market reach, it was found that 10 out of 21 respondents had reached the market in the inter-sub-district area, 5 out of 21 respondents had reached the district area, 3 out of 21 respondents reached the market in the inter-district area, 2 out of 21 respondents reached the market in the sub-district area and 1 in 21 respondents only reached the inter-village market.

Fifth, in the source of capital, it is known that 10 out of 21 respondents issue capital up to < Rp. 3,000,000 per month, 8 out of 21 respondents spend capital up to < Rp. 4,000,000 per month, 2 out of 21 respondents spend up to < Rp. 5,000,000 per month and 1 in 21 respondents spend capital up to < Rp. 2,000,000 per month.

Sixth, in the source of capital, it is known that 9 out of 21 respondents issue capital from personal funds, 6 out of 21 respondents spend capital from business profits, 2 out of 21 spend capital from government assistance, 2 out of 21 respondents spend capital from government bank loans and 2 out of 21 other respondents spend capital from private loans.

Seventh, the profit obtained was that as many as 11 out of 21 respondents achieved a profit of up to < of Rp. 4,000,000, 7 out of 21 respondents achieved a profit of up to <. 5,000,000, and 3 of 21 respondents achieved a profit of up to < Rp.3,000,000. Eighth, the loss obtained was that as many as 9 out of 21 respondents experienced losses up to Rp.3,000,000.

Eighth, the losses obtained were 9 out of 21 respondents experiencing losses up to <Rp. 3,000,000, 9 out of 21 respondents suffered losses up to < Rp. 2,000,000 and 3 out of 21 respondents experienced losses of up to < Rp. 1,000,000.

In addition, based on the recognition of the actors, it is stated that they have been involved in this business for more than ten years. The products sold are usually resold by collectors. However, some of them are orders for food banquets for traditional activities such as weddings, birth thanksgivings and other traditional activities. The market reach has reached one county area, and there are even some that cross the county, but it is still marketed in the traditional market. It has not entered the modern market. For capital, profits and losses do not have a significant difference. Business actors earn enough income for personal purposes and roll back business capital. Thus, business activities can be said to be successful because they have met the indicators of business success. However, expanding the reach of the market to the modern market is a challenge and a common task in order to be completed immediately.

CONCLUSION

The research findings led to the conclusion that: a) Development in Gempol Kolot Village has been successful in the aspect of village progress, it is known that the quality of development planning reaches 61%, the implementation of development reaches 67%, and supervision reaches 76%. Planning is still said to be lacking because there is little community participation involved in village deliberation activities. Furthermore, in the dimension of development quality, it is known that the quality of development in the social field reaches 80%, the environmental field reaches 90%, and the economic field reaches 58%. The environment got the highest score, because in the last three years the village government has focused on physical development. Meanwhile, the economic sector has experienced setbacks due to the impact of the COVID-19 pandemic; b) For business actors, especially in the market reach, it is known that 10 out of 21 respondents have reached the market between sub-districts, 5 out of 21 respondents have reached the district area, 3 out of 21 respondents reached the inter-district area, and 1 in 21 respondents reached the inter-village market. Therefore, the products from MSMEs in Gempol Kolot Village have successfully entered the competitive market in Karawang Regency. Despite this success, the marketing strategies

remain focused on traditional market channels. Additionally, there is a desire for MSME products to also gain traction in the modern market.

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