

# Community Empowerment in the Development of Local Home Industrial Businesses Based in Licin Village, Licin District, Banyuwangi Regency

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## Conference Paper

### Community Empowerment in the Development of Local Home Industrial Businesses Based in Licin Village, Licin District, Banyuwangi Regency

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#### Abstract

Banyuwangi has a lot of natural potential, which if it gets an intensive assistance from certain parties: government and related agencies, and higher education through research and community service, then it is possible that it will be better able to change progress more powerful in the villages. One of the examples is the variety of potential that exists in Licin, where most of the communities are farmers. Aside from farming cassava and corn, many farmers are growing oyster mushrooms, and also many other natural potentials. If these potentials get even more serious attention then it is possible that it will be able to change the pattern of community life that is promising in improving the welfare of the community's family, especially in the Licin. However, due to the lack of the quality of human resources, it causes various obstacles in optimizing all the potential that exists in this village. These obstacles include, among others, inadequate social, economic, and cultural problems in the community. Licin village, Banyuwangi is one of the national priority villages that need to get more serious attention from various parties, in an effort to improve the welfare of the community. The purpose of the thematic community service program in the first year is to do potentials and problems mapping in Licin village. Program planning, home industry business management, and action plans making to be implemented in the second year. Seeing the potential of the village, the problems faced by the community, and how the society overcome the problems, it is necessary to empower and develop the community in the context of what efforts should be done based on the potential that exists in the village. Whereas the target of this thematic community service program is to utilize and optimize the potential in their village, to make good use of it, which in turn can increase income and family welfare. The results will be achieved after mapping the potentials and problems of the community based on the existing potential. In the future, it is necessary to do more intensive training and assistance in making shredded oyster mushrooms, so that it is expected to increase the income of community families in Licin.

**Keywords:** empowerment, society welfare, local potentials

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#### Introduction

Banyuwangi is famous for Mount Ijen tourism, where Mount Ijen is an attractive tourism site due to its blue flame. The blue flame is a blue-colored fire phenomenon that is extremely rare, even in the whole world this phenomenon only occurs in two countries, Iceland and Indonesia. This blue flame phenomenon attracts both domestic and foreign tourists to visit and witness the beauty of this natural phenomenon at midnight. This phenomenon has made the economy in Licin Village developed, in the past the population

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worked as sulfur miners, now they are owners of lodgings or motorbike taxis who earn many times more than becoming sulfur miners.

Unfortunately, now the village of Licin is divided into two, Tamansari and Licin village whereas the Mount Ijen tourism area located in the Tamansari village which this village as the entry of Mount Ijen. As a consequence, the Licin villagers have to work extra to earn for themselves and developing the village. In Tamansari as a tourist village benefited by a large number of visitors looking for lodging to spend the night before going to the top of the mountain to enjoy the beautiful blue flames and natural panorama. This situation produces abundant lodgings in Tamansari. The implementation of lodging arrangements in Licin village such as in Tamansari village seems to be less strategic, considering that people will tend to choose to lodge near the location of Mount Ijen.

Nevertheless, the Licin village is a strategic area, where it lies right before entering Tamansari village. Tourists can, both before and after, visit Mount Ijen to drop by the Licin village. As a result, business opportunities are necessary to develop the potential of Licin village; both human and natural resources are available. The fact that home industries as a way to develop the potential of natural resources are less. This strategic village location is an opportunity to develop a home industry business in processing natural resource potential.

Licin village has a lot of natural potentials of the agricultural sector, plantations, and crop cultivation. For farming, which is abundant in rice production, this is due to the vast area of rice fields in this village. Also, there are vegetable plants that are excellent quality, bearing in mind the village located on a plateau. Unfortunately, the community has not been able to process the maximum results from these natural resources, selling directly to the market or intermediaries. Moreover, the number of residents is not the owner of agricultural land but only as miners. The abundance of natural resources, but minimum human or population resources in processing natural products are very suitable to be developed by home industry-based businesses. By processing natural resources into new processed products, which is last longer, further marketed, and are capable improve the economy of the community.

One of the potentials in the village of Licin is an oyster mushroom, considering that the village's temperature cold enough for oyster mushroom cultivation. Oyster mushroom cultivation is outstanding, i.e., mushrooms can develop according to the desired size. There is a problem, after harvesting, mushrooms have to be immediately marketed, it is unable to be stockpiled or collected in advance. This problem causes the sales turnover is not optimal, because of the high cost of transportation from the village to the market located in the city. By this problem, it is necessary to take measures to cultivate mushroom cultivation so that the results are more optimal and empower the community to improve their economy, one of which is the home industry business in mushroom cultivation. Noor (2010) argues that the results of the study have not been fully applicable because the previous research has not provided clear solutions relating to the problems faced by the community. Even more, a limited budget is one of the factors that cause the unresolved problem behind. The field of community service is seldom under what is needed by the community through training or activities carried out.

## **Research Method**

The Thematic Community Service Program (KKN) is one of the community service programs conducted by the UPN "Veteran" East Java, which involves lecturers and students. This activity began with preparation and briefing, the departure of the Thematic KKN, the process of identifying problems and village potentials, and the evaluation process.

Preparatory activities have three stages: site selection, student recruitment, and briefing. Location selection is to determine the desired place or area of community empowerment. The choice of the location determined by the university which considers requiring empowerment to improve the quality of the community. Besides that, the community is willing to accept non-physical activities; there is support from village officials and community leaders. Based on that, Licin Village, Licin Subdistrict,

Banyuwangi decided as the location community service activities. LPPM (Community Service and Development Institutions) of UPN "Veteran" conducts student recruitment through online registration. Out of the 25 are selected students from 6 different faculties and departments. Briefing session includes the agenda of the KKN-Thematic Programs, procedures on how to blend and adapt to the community, equipment for the activities. Other important matters are identifying the ability of each student to be optimal in the implementation of the program and integrating perceptions between the Proposer of the KKN-Thematic Programs and the participants (Students) to gain maximum results.

After the preparation activities, students sent to the KKN-Thematic location in Licin village, Licin District, Banyuwangi Regency on Monday 01 July 2019. Twenty-five students consisted of 10 men, and 15 women placed in two different posts. Participants of Thematic-KKN in the implementation of activities such as discussions, meetings with the community, and the implementation of other activities, using the village hall, shelter (Posko), and residents' homes.

Furthermore, the Village Problem and Potential Identification Process began with identifying problems and village potential through the FGD with the local community. Besides that, In-depth interviews with village officials, the community, and related parties are necessary to identify the village's problem and potential. The approach to this figure is fundamental, because according to Asngari (2007), in the context of social change, people tend to trust the information/changes coming from members of their community compared to people outside their group (foreigners). Also, they directly involved in the field by participating or observing (i.e., observing and recording various things and events took place at the location (Sugiono, 2005: 64)) in community activities. After identifying both problems and potentials, a SWOT analysis, S = Strengths, W = Weaknesses, O = Opportunities, and T = Threats in Licin Village, Licin District, Banyuwangi.

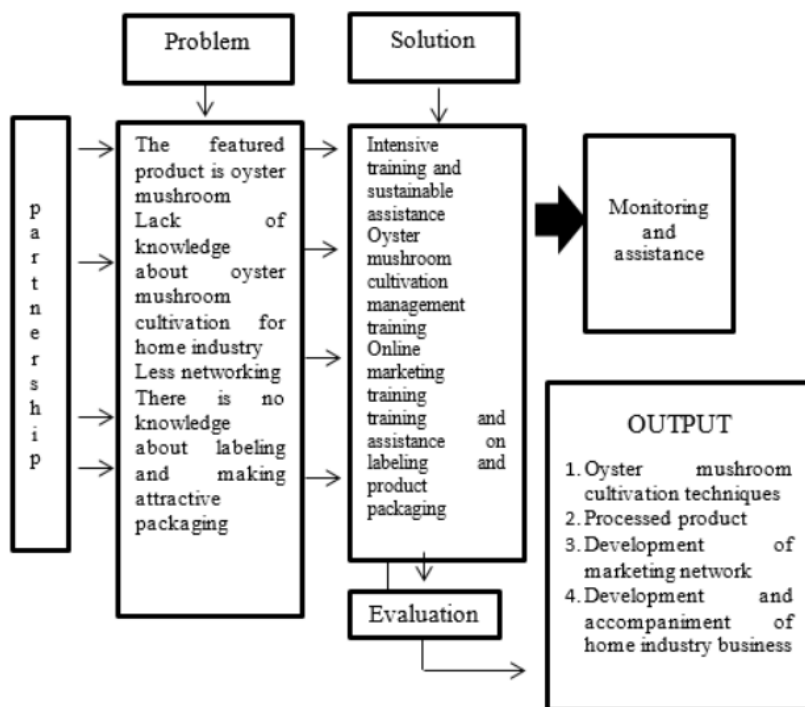


Figure 1. Program Activities for The Coming Year

## Result and Discussion

The results of the KKN- Thematic in Licin Village, Licin District, Banyuwangi in the first year are the process of identifying problems and village potentials, by the implementation of programs that have in the action plan, based on the prioritization matrix and five years-action plan.

The KKN-Thematic activities basically make the community partners in running the program. Stepen Billet (2007) explains that there are a number of things that need to be considered in order to be successful in carrying out community empowerment, namely:

1. Establish and maintain common goals and objectives
2. Build and maintain relationships with partners
3. Building and maintaining joint program capacity
4. Build and maintain leadership
5. Build and maintain trust and mutual trust

Sumardjo (2008) the key to community empowerment is to involve the community as widely as possible, and to focus on what is needed by the community, as well as requiring a holistic approach, namely: the needs, problems and potential of each community is very diverse.

Following are the Thematic KKN Activities that have been compiled in the 5-year action plan

### *Basic Concept of Action Plan*

Plans that will be held for community empowerment in the Licin village, Licin District, Banyuwangi are to map the problems and potential of the community, both natural and human resources. The potential of the village is a fertile and cool area, so it is well suited for crop cultivation, one of which is oyster mushrooms. However, due to the lack of knowledge, creativity, and innovation to cultivate oyster mushrooms. It causes oyster mushrooms cultivation is less than optimal, as a source of the economy. Therefore, training and assistance in cultivating oyster mushrooms in product making, product packaging design, and product sales.

### *Prioritization Matrix and Five-year action plan*

Table 1. Prioritization matrix

<i>Priority matrix based on surveys and FGD</i>	<i>Partner involvement</i>	<i>Indicator of success</i>	<i>Final Status of Monitoring Results and Explanation</i>
<b>Production process training</b>	The community participated in the programs	High enthusiasm for community participation	The featured product of the village
<b>Products from oyster mushrooms</b>	The community participated in the programs Village: providing facilities	The community can produce various products from oyster mushrooms	Products from oyster mushrooms
<b>Product packaging making</b>	The community participated in the programs Village: providing facilities	Partners understand the importance of product packaging, as a differentiator or characteristic of their products with other products	Product packaging

<b>Making a business license</b>	The community participated in the programs Village: providing facilities	Partners have a business license, so the products enter the modern market	Business license
<b>Online marketing</b>	The community participated in the programs Village: providing facilities	Partners can utilize technology for online marketing; thus it can expand the products	Online marketing

Table 2. Five-Years Action Plan

<b>PROGRAM PLAN</b>	<b>Implementation programs</b>				
	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b>Production process training</b>	Production process training concept	Program assistance implementation	Program assistance implementation	Program assistance implementation	Program implementation, Monev system, and community independence
<b>Producing oyster mushroom-based product</b>	The concept of making oyster mushroom processed products	Program assistance implementation	Program assistance implementation	Program assistance implementation	Program implementation, Monev system, and community independence
<b>Product packaging making</b>	The concept of training and processing product packaging	Program assistance implementation	Program assistance implementation	Program assistance implementation	Program implementation, Monev system, and community independence
<b>Business license</b>	The concept and preparation of business license	Program assistance implementation	Program assistance implementation	Program assistance implementation	Program implementation, Monev system, and community independence
<b>Online marketing</b>	The concept of online marketing	Program assistance implementation	Program assistance implementation	Program assistance implementation	Program implementation, Monev system, and community independence

The results achieved in the 2-week KKN-Thematic, from July 1, 2019, to July 15, 2019, that the program planned in the first years accomplished. The concept is done to create a processed product that will become a featured product of Licin Village, as well as how the concept can have characteristics with

different packaging as a product marker. Also, the concept of widespread marketing of products by getting a business license. Therefore, the product can be distributed in the modern market, in addition to the existence of a business license to be marketed widely, which is online marketing.

The important thing after production is the packaging process where this process is the activity of designing and producing containers or packages for a product (Kotler & Keller 2009). The packaging is to differentiate one product with another. Aside from being a differentiator with other products, the existence of product packaging makes the product more attractive; then it increases the price of the product. According to Louw & Kimber (2007), the function of packaging is to maintain the product, because the packaging is an activity to design and produce product packaging. As time goes by, the packaging is an essential thing in marketing; people will buy products because of attractive packaging. As expressed by Rangkuti (2010), which says Packaging is the most important thing as a marketing tool. In marketing there is a promotion process, as revealed by Tjiptono (2008) which is an information dissemination activity, thereby influencing or persuading and reminding the target market or separation so that its products are accepted, bought and loyal to the company.

Consumer interest in products also depends on product packaging, so planning the form of packaging needs to be done. This is as issued by Danger in Nilsson and Ostrom (2005) there are five things that need to be improved in the packaging form of packaging, so that it can attract interest in consumers as follows:

1. The packaging is simply designed
2. Customers are more interested in buying packaging that is provided and is flexible, can buy customers to see packaging that can complicate the product safe & comfortable to use
3. The form of packaging must also provide soft packaging
4. The round shape is widely involved by women because it symbolizes feminism
5. Men like shapes with sharp angles because they look masculine.

Consumer behavior is a decision making process, according to David L. Loudon and Albert J. Della Bitta in Mangkunegara (2005: 3), evaluating, obtaining and using and being able to use goods and services is a set of definitions of the decision making process. While Sumarwan (2004: 26) mentions consumer behavior is all activities, actions, and psychological processes that drive these actions before when buying, when buying, using, spending products and services, after evaluating

### **Conclusion**

KKN-Thematic programs conducted on July 1 to 15, 2019 in Licin village, Licin, Banyuwangi are able to find problems in the village and to find natural resources that are developed into processed products for home industry businesses. In the second year, it is essential to implement program assistance so that the activities in the first year are carried out until the fifth year. Therefore, the home industry program is implemented. Licin village will have a featured product with the correct production process according to procedures includes product packaging, business licenses, and carry out marketing.

### **Acknowledgement**

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