



Community Economic Empowerment through Home Industry Activities

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Abstract: This study aimed to explore the role of home industry activities for the community in the Tilongkabila district. This study was qualitative research with a case study method. This study examined in depth the community economic empowerment through home industries that have developed in Bongopini Village (Tofu Tempeh), Lonuo Village (Chips and Sugar Brown), Permata and Bongoime Village (Cake, Pia, workshop, and Ayam Geprek Restaurant), and Tamboo Village (pastry). Furthermore, data were collected through observation, interview, and documentation techniques. Then, data were analyzed based on the interactive model consisting of data reduction, data presentation, and verification/conclusion. This study showed that home industry activities were vital to community economic empowerment. The home industries in the Tilongkabila district have a significant role in reducing unemployment, creating jobs, being a source of income for the community, improving living standards, and increasing community skills. Home industries are a way out of the high gap between people who need work and the number of jobs.

Keywords: Home Industry, Rural Regions, Empowerment

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Introduction

Maximizing human resources and preserving an activity that can accelerate the economy and strengthen development create justice for everyone (Fawaid & Fatmala, 2020), especially in rural areas. Tilongkabila, one of the districts in Gorontalo province, develops economic activities by involving the community, village potential, and environmental needs. Therefore, micro-enterprises can survive and operate for many years and continues to grow and vary until now. It can be seen in the number of villages in Tilongkabila that develop Micro, Small, and Medium Enterprises (MSMEs).

According to Ariani & Utomo (2017), Microeconomics is a micro, small, and mediumsized enterprise whose growth is prioritized in the Government Work Plan because it has significantly contributed to the national economy. The creative economy concept has emerged as means of focusing attention on the role of creativity as a force in contemporary economic life, stating that economic and cultural development are not separate but can be a part of a more extensive process of development (Policy Research Group, 2013). Creativity and innovation are adopted and adapted to economic programs initiated by central and local governments worldwide (Hidayat & Asmara, 2017). In actuality, the development of Micro, Small, and Medium Enterprises is highly strategic to become a source of income for most people to improve their standard of living.



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Ananda & Susilowati (2019) opined that Micro, Small, and Medium Enterprises are excellent places to create productive employment, as they are one of the business fields that can grow and be consistent in the national economy. Thus, Micro, Small, and Medium Enterprises in rural areas contribute to the national economy and generate employment opportunities for the local community.

Indonesia has experienced economic growth of 5.02%. Statistics Indonesia data also reports that from 2015-2018, based on the distribution, the agriculture, forestry, and fisheries sectors were Indonesia's third highest contributors to economic growth (Gratia & Fawzi, 2021). The government has declared the creative economy to be the foundation of the regional economy. This statement is evidenced by the continued development of the creative economy in Indonesia (A. R. Putra et al., 2022). Most Indonesian poorest people are women workers, housewives in the village, young women, and poor urban women (Setyaningsih et al., 2012).

In the Gorontalo province, employment conditions in February 2021 declined compared to February 2020. It was reflected in the Gorontalo province economic report for May 2021, which showed a decrease in the Labor Force Participation Rate of -0.04% from 67.4 in 2020 to 67.37 in 2021 and an increase in the Open Unemployment Rate of 4.97% from 19,709 in February 2020 to 20,688 in February 2021. Meanwhile, the productive age population was recorded to have increased by 1.22% and the labor force by 1. .18% (Bank Indonesia, 2021, as cited in Ali, 2021). Along with the increase in the unemployment rate, the Poverty Level indicator in Gorontalo Province has increased. It is evidenced by the Gorontalo poverty rate in the September 2020 period, which was recorded at 15.59%, and an increase of 0.37% from the March 2020 period, which was recorded at 15.22%. In September 2020, there were 185.31 thousand poor people, an increase of more than 290 people from the number of poor people in March 2020 which was recorded at 185.02 thousand people (Bank Indonesia, 2021, as cited in Ali, 2021). This report requires serious attention and follow-up from the government and the community in the form of a gradual, systematic, and effective poverty-reduction program. For this reason, the local government must have a comprehensive, integrated, and sustainable plan for local economic development (Martati et al., 2013) in Gorontalo province in general and Bone Bolango district in particular. Based on the results of observations, the right step taken by the Bone Bolango district government, precisely in Tilongkabila, is to strengthen the Micro, Small, and Medium Enterprise sectors such as home industries.

Yuyus & Bayu (2010) define the home industry as a product business house or a small company. The home industry is a type of business with a small scope. This business is easier to do for entrepreneurs who have minimal startup capital. Products that can be made for home industries include onion chips, yam chips, cake cakes, doughnuts, chocolate, hijab, brooch, and so on (Blongkod & Rasjid, 2021). Furthermore, Suprayanto (2013) stated that the industry's objective is to achieve profits and business continuity as befits a business aiming to obtain optimum profits with efficient sacrifices. The home industry also motivates the community to improve their abilities and work to benefit themselves and the surrounding community (Sunarsi et al., 2019).

The home industry is also a place for the majority of people who can grow and develop independently by making a significant contribution and occupying a strategic role in economic development, including the village community in Tilongkabila, whose existence of the home industry cannot be separated from the concept of industrialization, namely human effort primarily to utilize the environment and existing natural resources to be able to sustain life and develop it. This industry is also known as adding value from raw materials found in the surrounding environment into something semi-finished or of economic value, which can then be marketed.

Therefore, the home industry is an alternative business activity that is simple to develop and maintain to promote the creation of new jobs, reduce unemployment in rural areas, and boost the people's economy. Additionally, the development of the domestic industry indirectly benefits the national economy.

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The presence and growth of home industry activities is a fantastic opportunity for numerous parties to strengthen the local economy. This is evident in the plethora of studies examining home industry activities in one line of business or one area from the perspective of the development process, strategy, impact, etc. Among these studies is a research conducted by Fawaid & Fatmala (2020). They found that the Gazal Makmur Cassava Chips home industry in Kotaanyar, Probolinggo regency, became a strategy in Micro Enterprises and increased people's income. Agustina & Khaira (2020) also analyzed the development of the tempeh crackers home industry in the Peusangan district, which showed strengths, weaknesses, opportunities, and threats during the business process.

Furthermore, Nugraheni & Nurhalim (2017) examined the learning process in empowering young mothers in the Soya Brinto soy milk home industry in Parengan village, Lamongan, which goes through a process of planning, implementing, and evaluating. Then, Riyansyah et al. (2018) showed that through the home industry empowerment program, the role of the village government includes coaching, service, and community development. It can be realized with the concept of village government, which provides for business scale development, business networking, marketing and business partners, human resource development, and infrastructure development assistance. Even further, Pujiastuti & Albertus (2017) researched the strategies of the West Kutai Regency Government and related stakeholders in developing home industries and revealed the facilitating and impeding factors in implementing these strategies. It provides additional insight and a broader perspective on developing home industry activities that people in various regions can utilize by analyzing each environment's and society's benefits. Lastly, R. Ananda & Jallil (2016) revealed in their research that the method used to maintain and increase capital was to make accurate records and calculate the amount of incoming and outgoing goods.

The results of this study demonstrate the significance of developing the local industry for the community in terms of enhancing the economy, creating jobs, maximizing community potential, etc. In addition, the findings of this study enable researchers to examine in greater detail the community's economic empowerment through home industry activities. However, no prior research has examined the role of home industry activities in rural areas, particularly in Gorontalo. Therefore, researchers must investigate the role of home industry development in Tilongkabila, where small and medium-sized industries, such as home industries, are still progressing slowly and have not been optimally developed. (Pujiastuti & Albertus, 2017) The home industries are expected to get attention and support from various parties, the community, and the government. Pujiastuti & Albertus (2017) stated that home industries are frequently neglected because they have limited capital, produce on a small scale, and cannot compete with other businesses.

In light of this, it is expected that the findings of this study will be taken into account by the general population of Gorontalo to support and preserve home industry activities in rural areas. Meanwhile, for the government, the results of this study can be used as a reference to continue and continually strengthen the Micro, Small, and Medium Enterprise sectors, such as the home industry in rural areas, through outreach activities, training, additional capital, and so on. The results of this study are very relevant and essential for the development of the home industry, considering that the role of small industries in the economy is very closely related to the basic characteristics of small or home industries, namely: a) small industries generally rely heavily on the use of labor originating from the surroundings (local workers); b) small industry is very intensive in using local natural resources; c) small industries are often found in rural areas; d) small industry is very closely related to the agricultural sector; and e) the majority of small industries make consumer and industrial goods to meet the needs of the local market at affordable prices, especially for people with middle to lower incomes (Tambunan, 2018). Furthermore, community empowerment is an effort to motivate or strengthen the community

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in addressing existing problems. It aims to make the community self-sufficient so that it can face life's challenges (A. Putra et al., 2021) relating to the economy or the necessities of life.

Method

This study employed a qualitative research approach with a case study design to examine the community's economic empowerment through home industry activities, particularly emphasizing the role of home industry activities in Tilongkabila. Poverty is still a fundamental problem that is the focus of government attention in Tilongkabila. Therefore, it is necessary to provide efforts to provide the ability of the community so that the community can get out of the conditions of poverty that befell it.

Tilongkabila is one of the districts in the regency of Bone, Gorontalo. It has five villages that run the home industry. It is in line with the purpose of this study. Besides, the home industry in that area is also various. Therefore, Tilongkabila was selected as the location of the research. The study focuses on five villages, namely Bongopini village (Tofu and Tempeh home industry), Lonuo village (Chips and sugar brown), Permata village, and Bongoime village (Cake, Pia, Workshop, Rumah Makan Geprek/ Ayam Geprek Restaurant as a home industry), and Tamboo village (Pastry as a home industry).

This study was conducted for five months (March-July 2021) through several research stages. First, the data collection in this study was carried out through observation, interviews, and documentation. Those three techniques had different purposes in fulfilling the data in this study. Observation aimed to observe the activities of the owner and staff of the home industry. Next, the interview was used to delve into information related to the home industry. It was conducted by directly interviewing nine owners and nine staff of the home industry. Then, documentation aimed to check every document about the home industry and the objects of this study. Secondly, the data were analyzed using the interactive model of Miles et al. (2014) consisting of three main coinciding stages. Data reduction focused on selecting relevant and essential data concerning the object of study so that the irrelevant data were reduced. Data presentation was prepared by addressing the findings of this study which were integrated with the theory or results of previous studies and drawing conclusions based on the results and discussion related to community economic empowerment through the home industry.

Finally, to obtain objective and accurate results, it was necessary to ensure the data's validity to reduce interpretation bias. Triangulation was utilized to determine the disparity between the observation, interview, and documentation data. Therefore, the triangulation method ensured data accuracy regarding community economic empowerment through home industry activity.

Result and Discussion

In this section, the author describes data distribution for the entire home industry in Tilongkabila. In addition, this study provides a concise analysis of the function of the home industry in five villages. As a result, the authors concisely describe community economic empowerment through home industry activity in those regions, as presented in Table 1.

Table 1. The Distribution of Home Industry in Tilongkabila												
Village	Bongopini	Lon	uo	Pern	nata	l	Bongoime		Tamboo			
Home	Tofu	Chips	Sugar	Cake,	Pia	Workso	Cake	RM.	Pastry			
Industry	Tempeh		Brown	Pia,		р	and	Geprek				
				Ice			Pia					
Year	2017	1990	1990	2012	2017	1999	2018	2017	2016			
Employee	8	15	13	5	13	8	5	5	10			

The distribution of the home industry in Tilongkabila shows that the home industry in those villages varies. Besides, some villages have more than one home industry, such as Lonuo Village, which has two home industries (Keripik and Gula Merah), Permata Village also has

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two homogenous home industries (Kue, Pia, and Ice), and Bongoime village, which develops more than two home industries (Workshop, Kue and Pia, and RM. Geprek). Those home industries require many workers. It provides a significant opportunity for people who needs job opportunities, as shown in Table 1. In the distribution of the Home Industry in Tilongkabila in the employee category, 82 people have worked in the home industry in each village. The cooperation of society in developing the home industry benefits not only the owners but also the workers, especially in matters of the economy. However, it helps the government decrease joblessness, as presented in Table 2—the role of the Home Industry in the five districts in Tilongkabila as follows.

No.	Village	Home Industry	The Roles of the Home Industry
1.	Bongopini	a) Tofu Tempeh	-the source of fixed income
			-improve the standard of living
			-decrease unemployment
			-the source of fixed or side income
			-fulfill primary and secondary needs and others
			-create job opportunities
2.	Lonuo	a) Chips,	-increase the income
		b) Sugar Brown	-provide benefits
		-	-fulfill family needs
			-decrease the level of unemployment
			• •
3.	Permata	a) Cake, Pia, Ice	-create job opportunities
		b) Pia	-become the fixed or extra income
4.	Bongoime	a) Workshop	-make homemakers more creative
		b) Cake and Pia	-improve income and prosperity
		c) RM. Geprek	-the source of fixed or extra income
			-help the economy of people around
			-get new skills
			-create job opportunities
			-decrease unemployment
5.	Tamboo	a) Pastry	-make society becoming more creative
			-decrease unemployment and poverty in Tamboo Village
			-encourage homemakers to be more creative and productive

Table 2. The Role of the Home Industry in Five Villages in Tilongkabila

The Role of the home industry in five villages of Tilongkabila district contains the results of a brief data analysis categorized based on the role of the home industry. In addition, the role of the home industry is also grouped in each village which is the research location. Based on the table, it can be seen that the role of the home industry in society is so significant and diverse. This is not without reason, as the increasing needs of society also demand good economic growth. Although the role of the home industry in each of these villages is very diverse, they have several similarities and differences that can be grouped into a) reducing unemployment, b) creating jobs, c) a source of income, d) increasing living standards, and e) increasing skills.

Decreasing Unemployment

Various things can cause unemployment. One of them is the inability of the community (unemployed) or the unavailability of job opportunities (Maisaroh & Sukhemi, 2019). The policy and efforts from the government to solve unemployment or poverty have been made. However, it still tends to be sectorial (Maisaroh & Sukhemi, 2019), putting society as the object, not the subject. It causes society's lack of active participation in exploring the potency and surrounding environment. Moreover, Bürcher (2017) assumes that regional engagement can

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positively or negatively affect a firm's social capital, depending on whether the engagement generates inclusive or exclusive benefits. For this reason, government policies and programs will not entirely run well if they are not balanced by the role and awareness of the community itself in reducing unemployment or increasing people's welfare, in this case, through encouraging self-potential development.

It is what has developed in several villages in the district. Tilongkabila, where people are aware of home industry activities that follow the needs of the environment and the surrounding community. As the results of an interview with one of the home industry Tofu and Tempeh employees corroborate this finding, the presence of the home industry plays a role in reducing the number of unemployed.

"Being able to create new jobs and reduce unemployment is still a problem for the people in Bongopini Village."

Not only that, but one of the chip home industry employees in Lunou Village also said that the existence of the home industry was able to reduce unemployment, especially for people with a low education level, as stated in the following data.

"This business is also for people who are still unemployed because the level of education is still low and the number of jobs is limited."

One of the Ayam Geprek Restaurant employees stated that the home industry development has helped the government reduce unemployment. It is shown in the following data.

"The existence of the Ayam Geprek home industry has helped the government in reducing unemployment and helping the community increase the income of housewives. Previously, I have been unemployed depending on my husband's income, but now the income from this home industry help meet the household needs."

The results above align with Riyansyah et al. Their research showed some of the impacts of the development of home industries on rural communities, for example reducing unemployment rates. Ananda & Jallil (2016) also revealed that home industry owners generally recruit homemakers around the home industry. Therefore, Suminartini & Susilawati (2020) emphasized that creating new business fields is one way to eradicate poverty and reduce the number of unemployed. Thus, developing home industry activities reduces the unemployment rate in rural areas like the Tilongkabila sub-district. This role is not only helping the community, but also the success of government programs in reducing poverty or unemployment.

Creating Job Opportunity

Martati et al. (2013) discovered that the job creation model through local economic development has a great potential for providing employment, particularly in the agricultural, service, trade, and home industry sectors. It demonstrates that the home industry engaged in and developed in Tilongkabila generates employment opportunities for the surrounding community, as many are oriented toward the trade, service, and home industry sectors.

Thus, one of the crucial roles of the home industry in the Tilongkabila sub-district is to create jobs for people in rural areas, as stated by the owner of the Pia home industry in Permata Village below.

"My goal in setting up this home industry business, besides to get profits or results and to expand the business network, also to create jobs for the village community."

It was reinforced by the results of an interview with an employee who works in the Cake, Pia & Ice home industry in Permata Village.

"The existence of this home industry creates jobs for the unemployed."

Based on the above data, the home industry is an easy-to-develop vehicle in rural areas because most small businesses and household crafts are in rural areas. It, coupled with a growing labor force, makes small businesses a solution for job creation and income equality (Fawaid & Fatmala, 2020).

Source of Income

According to Fahrudin (2005, cited in Saugi & Sumarno, 2015), The goal of welfare is achieving a prosperous life by fulfilling various basic needs of society, such as clothing, food, health, housing, and harmonious social relations with the surrounding environment. It is in line with the role of the home industry put forward by one of the Tofu Tempeh home industry employees in Bongopini Village.

"This business is the main source of income for me because the income from working in this business can meet basic needs and be used for school fees and other unforeseen needs."

This statement is reinforced by the interview results conveyed by the owner of the Tofu Tempeh home industry regarding the role of the home industry as a source of income for the surrounding community.

"Entrepreneurship through the Home Industry is a source of income for the surrounding community and becomes a new job field for the community or teenagers who do not attend high school but have skills. By working in this business, I can increase my income to meet my family's needs and improve my family's welfare."

Not only the owner of the Tofu Tempeh home industry but one of the Brown Sugar home industry employees said that the home industry helps meet the needs of the employees' families, as the following interview results show.

"The existence of this home industry helps me meet my family's needs."

The results of this study are supported by the results of the research conducted by Suminartini & Susilawati (2020), who found that the presence of a business helps rural communities. Apart from being used as a livelihood, it can be an additional or primary source of income in meeting their daily needs. In line with this, Riyansyah et al. (2018) also strengthen the role of home industry activities through their research, which shows the presence of home industries has an impact on opening up employment opportunities.

Improving Standard of Living

The home industry is an alternative for some people to develop and grow through significant contributions and strategic ways to improve the economy (Fawaid & Fatmala, 2020). It is supported by the findings of this study which show that the development of the home industry plays a role in improving the standard of living of rural communities, as the following data is reflected in the results of an interview with one of the home industry owners, namely Tofu Tempeh.

"By working in this business, I can increase my income to meet my family's needs and improve my family's welfare."

The Tofu and Tempeh owner in Bongopini Village and the Chips owner in Lunou Village stated their goal of developing the business. As stated in the following data.

The owner of the Chips home industry stated the same thing that the results obtained from this business were able to increase his income as the following data.

"The income earned through this home industry can increase household income."

According to data provided by home industry employees, in addition to the home business industry owners, an improvement in living conditions was also experienced by the workforce. First, one of the Tofu Tempeh home industry employees said that economic changes were obtained after participating in the home industry.

"Before working in the Home Industry, my family's economic situation was well off. Thank God, since I worked here, the family's economic situation has changed a little for the better."

Furthermore, one of the Chips home industry employees also conveyed the same thing regarding the role of the home industry in a better direction, especially income.

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"...especially we as employees can increase household income and have a job instead of just being unemployed at home."

The role of the home industry in Tilongkabila can improve the standard of living of villagers, following the results of his research Nugroho (2017). In his study, he found that the formation of new local cultural wisdom due to the impact of globalization, namely the home industry has a role in improving the standard of living of the people of Kampung Sanan Malang. Furthermore, Miles et al. (2014) demonstrated the existence of economies of scale for most levels of output related to their research on economies of scale in the Swiss nursing home industry. Even Habersetzer et al. (2021) found that industry experience positively affects company survival. Interestingly, this positive advantage only exists in rural areas. Thus, home industry activities that run well and are planned to be able to provide or produce quality business results will affect income to improve the economy and people's living standards.

Improving Skill

The results of the data analysis show that one of the benefits of the existence of a home industry felt by the community is the increase in community skills. These skills are formed along with the development process of the existing home industry. Because community empowerment is a planned social change strategy to overcome problems and meet community needs (Saugi & Sumarno, 2015), this is in line with the results of interviews with the owner of the Cookies home industry in Tamboo village.

"This business was created so that people could be more creative. I also see that mothers at home are unemployed and taking care of their children because unemployed housewives originally formed this home industry."

In addition, one of the employees of the Chips home industry in Lonuo Village also strengthened the role of the home industry in increasing the skills of the people who are members of the business.

"The existence of this business has a good impact on me, especially for housewives who can develop their skills."

The data above shows the role of the home industry holistically in community empowerment as a subject that can actively explore one's potential (Maisaroh & Sukemi) with the needs of the home industry or surrounding environment. Brock & Steiner (2009, as cited in Hadi & Rudiarto, 2018) stated that the needs or social problems positively contribute to the most general seven elements, one of them being society. It is in line with the research conducted by Putra et al. (2021), which found that family empowerment through the manufacture of home industry products increased the knowledge and skills of mothers on Mekarwangi hill. Furthermore, Saugi & Sumarno (2015) shows that empowering women through local food processing training activities achieves indicators of success by increasing the knowledge and skills of residents, as well as obtaining income from product sales. Even Lengyel & Eriksson (2017) stated that worker mobility is essential in regional dynamics. Finally, Sugiharto & Kusumandari (2016) implemented a program aimed at exploring and developing village potential so that it can contribute to alleviating poverty and unemployment through non-formal education, namely the Vocational Village Program, which emphasizes vocational life skills. Learning refers to a conscious and deliberate activity that brings several reasons for efforts to develop community members as human resources (Yusuf et al., 2022)

Thus, home industry activities are essential in empowering the community's economy because they encourage and train people to have knowledge and skills in work so that the quality of processes and home industry products improves. This will impact demand and consumer confidence, increasing the business's income. Indirectly, a good increase in the home industry affects the people's economy.

Based on this description, community economic empowerment through home industry activities can be seen from various processes, results, and roles as understood that one of the main targets of macro-economic achievement indicators of a country is high and rapid

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economic growth (Maqin & Sidharta, 2017). In this study, home industry activities in rural areas, especially in the Tilongkabilala district, have multiple roles in improving the community's economy. The part of the home industry is to reduce unemployment, create jobs, become a source of income, improve living standards, and increase skills. Thus, empowering the community's economy through home industry activities is a need-based solution because the community can develop businesses that meet the needs of the environment or the surrounding community. Nevertheless, Wahidah et al. (2021) reported community empowerment through the brown sugar home industry in some villages, such as Kubanggede, Cikulu, Sukahurip, and Pangandaran, was not carried out optimally and adequately. There were several obstacles in implementing community empowerment, such as the lack of financial assistance, the lack of new ideas given by *Lembaga Pemberdayaan Masyarakat Desa (LPMD)*/ Village Community Empowerment Institution, limited training and coaching from LPMD, and no marketing of brown sugar products from LPMD.

Therefore, optimizing the role of home industry activities is influenced by various factors such as human resources, environmental potential, and full support from the community and government. This results in the contribution of each role of home industry activities which will provide different results in each region. Fahmi (2014) states that creative industries are 'those which have their origin in individual creativity, skill, and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property.' Creative communities that generally have substantial social capital contribute to accumulating entrepreneurs' creativity potential.

Conclusion

Based on the findings and discussion, it can be concluded that community economic empowerment through home industry activities contributes positively. Home industry activities in Tilongkabilala have multiple roles in improving the community's economy. This was supported by research findings indicating that the role of home industry activities in Tilongkabila is multifaceted and holistic. The vital functions of home industry activities are reducing unemployment, creating jobs, becoming a source of income, raising the standard of living, and enhancing skills. In addition to improving the community's economy, the role of the home industry is to maximize the community's potential. The development of home industries in society solves the large gap between the number of unemployed people and the number of available jobs. Therefore, people in rural areas who have developed home industries have actively and significantly contributed to reducing this disparity.

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