

Asset-Based Community Development in Wonorejo Kampung, Rungkut, Surabaya to Strengthen Community Economy

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ABSTRACT

In the last decade, the Surabaya City Government has encouraged its citizens to develop the Kampung UKM. It is a program to build small and medium-sized enterprises (SMEs) in the community to raise their economy. However, community development requires accurate information about its potential. This study aims to identify the potential of community in a neighbourhood, called Kampung using the Asset Based Community Development approach. This study takes place in Wonorejo, Rungkut, Surabaya, a settlement near mangrove ecotourism. This study is action research with a qualitative approach. Data was obtained by observation, in-depth interview, and literature study. The data that has been collected is analysed using qualitative data analysis method. The results showed the potential of Wonorejo kampung, which includes human capital, social capital, physical capital, financial capital, and environmental capital. Wonorejo kampung has the potential to develop as a centre for SMEs, primarily because of its location close to mangrove ecotourism. The results of this study suggest the need for further studies to formulate a strategy for developing Wonorejo.

Keywords: *Small and medium enterprises (SMEs), Asset Based Community Development, Strengthening the Community Economy.*

1. INTRODUCTION

Small and medium-sized enterprises (SMEs) are sectors that contribute significantly to Indonesia's economic growth. Small and medium-sized enterprises (SMEs) can absorb labour and spread development outcomes more equally at the local level. The number of SMEs units has risen by 4.2 per cent per year over the previous ten years, and the average contribution of SMEs to Indonesia's Gross Domestic Product (GDP) over the last three years has been more than 50 per cent [1]. This number demonstrates that SMEs may independently expand the community's economic sector while maintaining Indonesia's economic development rate.

According to the national census of the economic sector, the number of SMEs in East Java through the end of 2013 was 4.2 million, or equivalent to 6.8 million in the 2014 census reported in 2015, and the 2016 findings released in 2018 indicate similar results. The significant sum was 9.59 million. In 2019, East Java

Province's GRDP reached 2.019 trillion, with 1.290 trillion generated by the SMEs sector [2].

Unfortunately, the situation shifted dramatically in 2020. The living circumstances of SMEs changed in mid-March 2020 when the government recommended social activities limitations and recommendations to stay at home owing to the Covid-19 epidemic. According to the OECD (2020), Micro, Small, and Medium Enterprises (MSMEs) are now in a precarious position due to the COVID-19 epidemic. This situation is considerably worse than it was during the 2008 economic crisis [3]. In terms of supply and demand, the Covid-19 pandemic has had a tremendous impact on SMEs.

On the demand side, low demand for goods and services impacted small and medium-sized enterprises, rendering them unable to operate properly. This reduces the company's capacity to meet its objectives. This is what causes people's income to be lost because SMEs cannot pay their employees' wages. On the supply side, many SMEs are suffering labour shortages due to

various factors, including worker health and societal constraints. The economic impact of the Covid-19 pandemic hit all Indonesians, including Surabaya residents.

Surabaya City Government is well-known for its many community-based development projects that target the kampungs and their inhabitants as potential development targets. The Surabaya city government has developed ten Kampung Unggulan UKM (Neighbourhood based SMEs) in Surabaya under the Department of Cooperatives and SMEs. The Kampung Tempe (Tenggilis Mejoyo), the Kampung Lontong (Banyu Urip Lor X), the Kampung Mie (Ngaglik DKA), Kampung Snack (Keputran Panjunan III/66), Kampung Sepatu (Osowilangun), Kampung Batik (Sememi Baru I), Kampung Dinamo (Bratang Gede), and Kampung Mina Mangrove (East Wonorejo) are among the ten of the kampung Unggulan [4]. The prominent kampungs of SMEs, like SMEs in other cities, is facing challenges due to Covid 19 epidemic.

In February 2021, the newly elected Mayor of Surabaya announced his intention to gather data on MSME actors at the RT and RW levels. The goal is to collect reliable data on MSMEs in the villages so that the City Government and other stakeholders may assist in their development (Jawa Pos, 28/2/2021). This circumstance demonstrates the significance of community development initiatives that rely on local resources.

A community development strategy based on local resources in the governance study, namely Asset Based Community Development (ABCD). The ABCD method is a type of community governance that aims to connect community assets at the micro level to its macro environment and identify community development possibilities within it. This method assumes that when it comes to community development, we must not only focus on needs, but also on the potentials that exist in the community. The ABCD method has the potential to be a new technique for community empowerment. The need of utilizing an asset-based strategy stems from existing community development methods that focus on existing challenges rather than assets owned and produced by the community. The goal of asset-based community development is to improve the community's quality of life by expanding existing assets in human capital, social capital, physical capital, financial capital, and environmental capital [5].

Therefore, considering the vision of the Surabaya city government in strengthening the economy of its citizens through the development in kampungs and referring to the strength of the Asset Based Community Development (ABCD) approach in documenting and developing the potential of the community, the researchers tried to conduct an intensive study on one of

the SME villages in Surabaya, namely Mina Mangrove village, Wonorejo using the ABCD approach.

This research aims to identify the assets of the Mina Mangrove village in Wonorejo, Surabaya, using the Asset Based Community Development method. The research will provide accurate information and documentation of the actual condition of this community asset, which will be an essential basis for the community's and its SMEs' development.

2. THEORETICAL BACKGROUND

A. Previous Research

This research team has performed several studies relevant to this subject, including: Meirinawati and Galih W Pradana (2018) did a study on the importance of local resources in community development. According to the study's findings, a development plan will be more effective if it is aligned with the status of the community's resources (assets) at the local level. This research also highlights the necessity of collaboration in the form of support from parties other than local institutions in order to assist citizens in providing systematic information on their assets and potential that can be used by the community to improve itself [6].

Tauran (2018) conducted empirical research on the growth of the Maspati Tourism Village in Surabaya. The findings revealed that the capacity to recognize the community's assets and potential is an essential component that enables Maspati inhabitants to establish economic activities (tourism) in the village of Lawas Maspati. This study also demonstrates the importance of institutions outside the community (particularly PT. Pelindo) in assisting locals in developing village assets [7]. Fitrotun Niswah (2018) discovered the importance of assistance from institutions outside the village (in this case through the Satrya Emas Program: Center for the Economic Strategy of Maslahat) in overcoming the challenges faced by residents in developing village assets in the form of MSMEs in a study on Empowerment of Micro, Small, and Medium Enterprises (MSMEs) in Wonosari village, Pasuruan [8].

Furthermore, research on the development of tourist villages in the villages of Punggulrejo, Tuban, Fitrotun Niswah (2019) demonstrates the importance of knowing the features of the village's assets. Although the central government has developed recommendations for establishing a tourism village plan, the strategy's execution must be contextual based on the peculiarities of the village and its assets. This research also suggests that collaboration between village inhabitants and those from outside the village be encouraged in order to

enhance the capability of local information availability [9].

Meirinawati and Galih Wahyu Pradana (2020) did research and discovered that the apparatus's document management skills at the village level were extremely limited. This condition makes it difficult for the community to establish development plans and programs based on local assets or resources [10]. When the Covid Pandemic began, Suci Megawati and Fitrotun Niswah (2020) performed action research to assist locals, particularly those with SMEs, in dealing with the economic consequences of the pandemic. They support people and SMEs by developing "Rebahan," an internet application for purchasing and selling basic requirements and home items [11]. Disseminating community service on the topic of Strengthening Family Resilience Through Financial Management Education in the Face of the Covid-19 Pandemic [12].

B. Community Development

Micro practice is carried out in the study of community development through community organizing and development techniques (community organizations/community development). Development is a well-planned collective endeavour to bring about positive change. While society is a collection of people with very disparate identities. Empowerment is a component of the development paradigm, which focuses on all elements of individuals and their environments, including intellectual aspects (HR), material and physical aspects, and management factors. These elements can be further subdivided into socio-cultural, economic, political, security, and environmental considerations. Individual empowerment methods can be used in some instances, but they are still connected to collectively in the sense of associating the client with other sources or systems outside of himself. Empowerment may be accomplished on three levels or dimensions (empowerment setting): micro, meso, and macro [13].

C. Asset-Based Community Development

Asset-Based Community Development (ABCD) is a method for long-term community development. ABCD is concerned with how to connect micro assets to the macro environment, in addition to mobilizing specific communities. The attraction of ABCD stems from the concept that communities may drive their own development by recognizing and mobilizing existing, but often unacknowledged, assets, and therefore responding to and generating local economic possibilities. Rather than focusing on their needs, ABCD builds on assets already present in the community and mobilizes individuals, groups, and institutions to collaboratively increase their assets.

Before they were mobilized to work together to create the identified assets of everybody concerned, individuals, associations, and later institutions spent a long time identifying their assets. The individual's recognized assets are then linked with persons or organisations that have an interest or need for those assets. The key is to begin utilizing what is currently available in the community.

Asset Based Community Development (ABCD) [14] uses the strengths and accomplishments of the community's common history as a starting point for transformation. ABCD gives special attention to assets inherent in social interactions, as evidenced in formal and informal associations and networks, among all assets in society. The community-based ABCD method is consistent with the ideas and practices of developing participatory approaches, which emphasize active involvement and empowerment (as well as the prevention of powerlessness). It is a strategy aimed at community-driven, long-term economic development.

3. METHOD

This study was carried out in Surabaya's Mina Mangrove village, Wonorejo village, and Rungkut sub-district. This is an action research study. The descriptive technique with a qualitative approach was utilized for the research. Purposive sampling was used to identify informants for the study, which included community leaders, village inhabitants, SME players, and socioeconomic institutions in the Mina Mangrove hamlet. The research focuses on identifying and mapping local assets. Human capital, social capital, material capital, income capital, and environmental capital are examples of assets [14]. Data collecting methods include a literature review, a field survey/observation, a focus group discussion (FGD), and an in-depth interview. The obtained data is examined utilizing qualitative data analysis methodologies.

4. RESULT AND DISCUSSION

The social and cultural circumstances of the community that grew up in Wonorejo Village were recognized through the formation of the settlement environment and the current usage. According to observations in the field, the primary land use in Wonorejo is housing, which is distributed over numerous residential communities. The demographic characteristics highlighted are historic housing, settlements, housing clusters, land/housing lots, and flats. The majority of the people in the region characterize their lives as lower middle-class.

The objective of asset-based community development is to eliminate poverty in a sustainable way, so that the poor may first get out of difficulties and

become self-sufficient because of the potential that exists in the community, namely by leveraging the capital available in the community. According to Gary Paul Green, asset-based community development is comprised of five fundamental concepts: human capital, social capital, material capital, income capital, and environmental capital [14]. To be more specific, the fundamental idea theory based on Paul Green's assets serves as a reference for evaluating and recognizing assets in Mina Mangrove Village, Wonorejo, Surabaya as part of an Effort to Strengthen Community Economy, as follows:

A. Human Capital

Human capital refers to the talents and abilities that influence employee productivity. These abilities manifest themselves in labour market skills, leadership abilities, general education, creative growth and recognition, health, and other abilities and experiences. Human resources relate to the individual component, which includes a person's age, education level, gender, health state, and job experience.

Based on the findings of observations and interviews with Village Managers, Community Leaders, UKM Actors, and Village Residents, it is possible to infer that the following information on human capital is available in Mina Mangrove Village, Wonorejo: The productive age of SME actors ranges from 18 to 70 years. The gender of SME players, both men and women, play an equal role in doing business and becoming economically empowered. SMEs have the lowest education level in elementary school and the highest in high school. Culinary, fish and other marine product dealers, flower pot sales, mangrove processing company, and cattle husbandry are examples of SME businesses. Entrepreneurship experience of at least one year and a maximum of twenty-five years is required.

Participation in SME trainings is still mostly unknown. Mangrove business players can attend trainings offered by the government through different connected organizations, as well as training held by the private sector, specifically for mangrove processing firms. Training for processing mangroves into various processed foods and drinks, marketing training, both direct marketing and online marketing through various marketplaces, financial management training, branding training, and so forth are examples of the sorts of training available.

B. Social Capital

Equity/social capital is another form of capital with substantial value. Social capital is a resource that may be used to make a profit. The potential of a group and the interactions between people inside the group, in which there exist social networks, values, norms, and

beliefs among group members, are referred to as social capital. Based on observations and interviews with representative informants from Village Managers, Community Leaders, Small and Medium Enterprises, and Villagers, it can be concluded that information related to social capital contained in Mina Mangrove Village, Wonorejo, among others: relationships between villagers are well established, get to know each other, values of intimacy, kinship abound. Family Welfare Empowerment, Youth Organizations, Social Gathering Groups, Ta'lim Council, mangrove business organizations, and dads' groups are the social and economic activity groups in this hamlet. The group's activities are both socially and economically beneficial, including: Family Welfare Empowerment activities and youth organizations organized by the management, physical fitness exercises, mutual assistance in cleaning the village, various information/insights and staying in touch, recycling training, handicrafts, and online selling training.

C. Material Capital

Material capital is one of a society's most valuable assets. According to Green and Hainess, the two major kinds of physical capital are buildings and infrastructure. The structures in question are residential buildings, stores and offices, commercial buildings, and so on. Roads, bridges, railways, waste treatment facilities, drinking water systems, and other types of infrastructure can all be considered infrastructure.

According to the findings of the study team's observations and interviews, the physical capital of houses where villagers reside varies; there are non-permanent, semi-permanent, and permanent structures. The majority of the commercial premises are linked with residential dwellings, and there are also well-maintained retail complexes. The majority of informants stated that the highway infrastructure was not broad enough, resulting in regular traffic jams on the route to and from work, which was very inconvenient for local people. The government responds quickly; when citizens or the head of the RT/RW submit an infrastructure report, it is generally followed up on within 2-3 days. The property/communal structures (collectively) administered by this village are the Community Hall and the Sports Field, which are maintained by the people themselves.

D. Financial Capital

Financial Capital, aside from physical capital, financial capital is another form of capital that is adequate to decide social wellbeing. Financial capital can refer to funds used by entrepreneurs and businesses to acquire items or offer services, or it can refer to the

currency of the economic sector based on its commercial operations, such as Investment Banks.

Based on observations and interviews with representative informants from SMEs and Financial Institutions, Capital and Banking, information related to financial capital contained in Mina Mangrove Village, Wonorejo, it can be concluded that there are SME actors who make their homes as well as places of business, for ownership. Some are self-owned, while others are rented or contracted. SMEs in general can get and use savings and lending services from financial organizations such as cooperatives and banks. There is no financial help from the government or other parties for the establishment of SMEs in the assistance village; instead, people impacted by the pandemic get only social assistance/direct cash assistance, not assistance particularly for SMEs.

E. Inviromental Capital

Ecological capital encompasses a number of fundamental components of natural resource ecosystems, including air, water, soil, animals, and plants. Environmental capital is highly difficult in terms of how people operate in the environment and the correct protection, protection, and use of capital. The community must safeguard the environment and pay attention to natural resource ecological functions such as flood control and garbage infiltration. Natural resources have a direct usage value as well.

Based on observations and conversations with Village Managers, Community Leaders, Small and Medium Enterprises, and Villagers, it can be determined that knowledge about environmental capital may be obtained in Mina Mangrove Village, Wonorejo, among other places: Every individual has a toilet in his or her home. Wells and Regional Drinking Water Companies provide clean water. The village residents' concern for cleanliness and environmental health is already evident, as evidenced by residents' compliance in disposing of waste in designated waste disposal sites and mutual cooperation in cleaning and maintaining the cleanliness of the village in preparation for flood disasters. To maintain and protect a sustainable ecosystem, efforts must be made to strengthen environmental capital.

5. CONCLUSION

The findings of this study include the availability of complete and accurate information on the factual situation in Mina Wonorejo Village, which has identified and mapped the potential for human capital, social capital, material capital, income capital, and environmental capital that can be used as input for community development programs and SMEs. Based on the findings of this study, it is suggested that more

research into the development of the Mina Wonorejo village development strategy be conducted.

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