

CORPORATE SOCIAL RESPONSIBILITY (CSR) PROGRAM COMMUNITY BASED EMPOWERMENT (TO INCREASE THE PRODUCTIVITY OF MICRO, SMALL AND MEDIUM BUSINESS) IN GORONTALO DISTRICT

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Abstract: Business Development in Gorontalo District Creation of micro, small and medium enterprises is one of the poverty reduction strategies (MSMEs). MSMEs, on the other hand, have many challenges in Gorontalo District. The business world plays an active role in solving MSME problems in Gorontalo Regency through the CSR program. Based on the facts and problems above, this study provides a paradigm of community empowerment-based corporate social responsibility. 1) Examine the problems and demands faced by MSMEs in Gorontalo District. 2) make a CSR plan that emphasizes community empowerment. The approach used is observation and in-depth interviews with MSMEs in Gorontalo District. Based on the study, MSMEs in Gorontalo Regency are constrained by financial and marketing problems. Leading CSR programs include funding, education, and marketing (promotion) through MSME exhibitions and bazaars.

Keywords: *UMKM (Micro, Small and Medium Enterprises), Corporate Social Responsibility, Community Empowerment Productivity.*

1. Introduction

The effectiveness of a country's internal coordination determines its economic progress. A reliable index of economic health is the proportion of people who can fulfill their basic needs, have a reliable job, or own their own firm. Many people who have launched their own businesses are referred to as MSMEs, or Micro, Small, and Medium Enterprises. MSMEs play a critical role in the recovery of the local economy and the creation of new jobs.

Business activities are impacted by new lawsuits that question corporate social responsibility, such as rising levels of concern for environmental quality, social harmony, and quality of life. CSR projects can help businesses in a number of ways, one of which is as follows: In accordance with this arrangement, businesses are now compelled to engage in CSR initiatives as part of their legal obligations. Al Hamid and others (2012).

A company's responsibility to the society and environment in which it operates is known as "corporate social responsibility" (CSR). CSR, which supports people in maintaining their quality of life and achieving social welfare, is one of the company's social, economic, and environmental obligations. In the business world, CSR is a concern and a hot topic. (Marnelly, 2012).

CSR programs must be constantly carried out by the corporate community. The company is expected to work to reduce poverty, advance health and education, and safeguard the environment. The Company, all implementing companies, and its subsidiaries or partner firms are responsible for all industrial business activities, including upstream and downstream, as well as all other derivative enterprises. Business always interacts with stakeholders, especially the surrounding community. For the expansion of small and medium enterprises, it is important to

understand their significance. If business actors are given more authority, they can grow small and medium enterprises. Empowerment includes encouraging and persuading others to acquire creativity, skills and abilities. (Apriani et al., 2021).

Together with the government, the business world participates in developing its business for the benefit of the people's economy. Despite the country's economic crisis, MSMEs are a strong business category. With respect to CSR initiatives, emphasis is often placed on the Indonesian economy's MSMEs (micro, small, and medium enterprises). aims to make someone's finances better. (Trisnawati et al., 2021).

This is in line with the increasing number of micro, small and medium enterprises in Gorontalo Regency which include:

Information on Micro, Small and Medium Enterprises in Gorontalo Regency

2018	2019	2020	2021
781 MSMEs	981 MSMEs	1.081 MSMEs	1.281 MSMEs
TOTAL UMKM Periode 2018-2021			4.124 MSMEs

Source: <https://GorontaloKab.go.id>

2. Literature Review

2.1 Corporate Social Responsibility

Corporate Social Responsibility (CSR) refers to the company's commitment to improve the welfare of society through the management of moral resources and commercial behavior. (Handayani & Nanda Hidayati, 2022). Corporate social responsibility is a concept or business practice according to its ability as a form of responsibility towards the social environment or the environment in which the business is located. (Thaliya, 2022).

2.2 Empowerment

A method and goals underpin empowerment. Empowerment is a goal that refers to situations or outcomes of social change that give people more power. A process of empowerment is a sequence of steps taken to increase the power or empowerment of underrepresented groups, such as those battling poverty. Possess life skills in the physical, social, and financial spheres, such as self-assurance, goal-setting, activity involvement, and responsibility-fulfillment. (Murwadji & Asmara, 2020)

Building a community or empowering individuals to advance in a balanced way toward a better life is the goal of community empowerment. because giving the community greater options is the goal of community empowerment. This demonstrates that people have the freedom to judge and select options that will benefit them. (2015) Kurniasari.

2.3 MSMEs

All economic sectors are home to independent, efficient company units known as micro, small, and medium firms (MSMEs). Limited and medium firms typically have a very basic organizational structure, few employees, a loose division of activities, and a modest budget, according to (Soegiastuti, 2012). Management methods are straightforward, activities are typically unplanned and informal, and they do not discriminate against private property. as well as accessories. corporate resources. Purpose and Empowerment of MSMEs:

1. Realizing a just, developing and balanced national economic system.

2. Increasing the capacity of MSMEs to grow into strong and independent companies.
3. Increasing the contribution of MSMEs to regional development, job creation, income distribution, economic growth, and poverty alleviation. (Kurniasari, 2015).

3. Research Method

3.1 Approach and Type of Research

In this study, qualitative descriptive data analysis is used. Natural approaches are used by individuals or academics who are interested in nature to collect data for qualitative research into the natural world. Background study aims to combine several methodologies to comprehend the causes of occurrences. An orderly report of scientific data from a topic or study item is what a descriptive research design is built to do. 2018 (Marthin et al.,).

3.2 Research Locations

Gorontalo District in Gorontalo Province is where most of the research was conducted. The research was conducted in Gorontalo Regency by researchers due to the increasing productivity among Micro, Small and Medium Enterprises.

3.3 Data and Data Sources

This inquiry makes use of the subject data that has been gathered. The following are a few examples of primary and secondary data that could be used in this study:

1. Research data that comes from original data sources is called primary data. Primary data can be in the form of opinions from one subject or a group of subjects. Interview and observation techniques are two primary data collection methods. However, as primary data, this study only collects information from informants through interviews. The following parties became resource persons: UMKM actors in Gorontalo Regency.
2. Secondary data is information obtained from intermediary media sources. Reading and understanding theory in books, papers, journals, or other sources of information is the most common method for collecting secondary data. based on online theory, specifically the Corporate Social Responsibility Program which aims to empower the community to increase the productivity of MSMEs. (Apriani et al., 2021)

3.4 Data Collection Techniques

For the purposes of this study, individuals who were part of the research setting and who were familiar with various research baselines were selected as informants. After that, SMEs and organizers of corporate social responsibility programs are selected. In addition, in-depth interviews with key informants were conducted by researchers to collect precise and comprehensive information that could be used as additional data for this investigation. This is done simultaneously by limiting the number of research informants who meet predetermined criteria. (Handayani & Nanda Hidayati, 2022).

3.5 Data Analysis Techniques

Data reduction, data visualization, and drawing conclusions are three processes of qualitative data analysis. To carry out data analysis using this point of view, the actions to be taken include:

1. Data compression Summarizing, selecting the most significant items, concentrating on these items, looking for themes and patterns, and eliminating items that are deemed unnecessary are several data reduction processes. Researchers will be able to collect data

faster and more clearly if the data is reduced. The main focus of this research data reduction is the importance of the community empowerment component of the corporate social responsibility program in encouraging the productivity of MSMEs in Gorontalo District.

2. Data Display (Data Display). Writing organized and categorized data sets, and clarifying and identifying data, is part of the data presentation stage.
3. Draw conclusions (Conclusion Drawing). The activity of interpreting and explaining the results of presenting the data obtained from data analysis of MSME actors in Gorontalo Regency, specifically in the form of findings on how the Corporate Social Responsibility program increases the productivity of MSMEs, is the stage for drawing conclusions in this study. (Kurniasari, 2015)

4. Result and Discussion

The benchmarks and objectives of the CSR program for small and medium enterprises are set by each company that has implemented them. Important research findings serve as the basis for these hopes and goals. These goals and objectives include:

1. As a form of corporate social responsibility, the Corporate Social Responsibility Program provides funding to business actors who face challenges in developing their business.
2. To enhance the good name and image of the company.
3. As part of the company's efforts to develop the MSME business sector.

Community empowerment for MSME productivity in the Gorontalo Regency Corporate Social Responsibility program is carried out by:

1. Provision of Business and Capital Assistance to MSME Actors



2. Organizing exhibitions and bazaars for micro, small and medium enterprises



3. Training for micro, small and medium enterprises



It is envisaged that a number of these initiatives will raise and advance the productivity of MSMEs in the Gorontalo district, advancing the economy and industry of small and medium-sized businesses.

Based on data obtained by researchers through the online website of MSME cooperatives in Gorontalo Regency, there is an increase in the number of MSMEs from year to year as follows:

Target	indicator	MSME target performance targets					
		2016	2017	2018	2019	2020	2021
Provision of access to financing for SMEs	Increase access to capital	300	500	600	600	700	700
Increased opportunities in entrepreneurship	Growth in the number of new businesses	381	581	781	981	1.081	1.281
Active cooperative improvement	Percentage of active cooperatives	47,55 %	55%	57%	62%	66%	70%

Source of data: <https://gorontalokab.go.id/wp-content/uploads/2019/08/8kopukm.pdf>

Based on the data above, increasing the number of MSMEs in Gorontalo Regency is an important task for the local government, large companies, and the community to maintain this number by continuing to provide financial assistance and training for people who are struggling in the business world to increase productivity.

In addition, support and encouragement from companies in advancing the business industry in Gorontalo district is the main pillar that can have a positive impact on the progress of the community's economy.

Companies that have implemented Corporate Social Responsibility based on data obtained through online media include:

1. Bank Sulutgo;
2. Bank Rakyat Indonesia;

3. Citymall Gorontalo;
4. Directorate General of Taxes;
5. Pertamina Persero, etc

However, there are still challenges that micro, small, and medium-sized businesses in the Gorontalo district face. SME Challenges found in the Gorontalo District are as follow:

1. Food and beverage MSME business actors do not yet have a PIRT, HAKI, or Business License (SIUP/TDP) so they cannot enter the Modern Market which is visited more by the general public;
2. There is still a lack of knowledge and ability of MSME actors to convert MSME waste into products that have economic value by empowering the community.
3. Lack of government support for the introduction of MSME products in regional and national markets which are traditionally accessed through promotion, provision of space in the Modern Market, and information technology (UMKM Website);
4. Micro-scale MSMEs still have limited access to capital for productive economic development through cooperatives and corporate social responsibility (CSR);
5. Still, the government cannot make it easy for the business world to use production methods to increase productivity;
6. In terms of human, material, production, capital and market resources, MSME partnership actors are still poorly understood;
7. In the processed, craft and food and beverage industry sector, there is still a lack of human resource skills which is detrimental to the sector's position in global competition.

The following are the objectives that must be achieved by the community empowerment component of the corporate social responsibility program:

1. Increasing the number of quality cooperatives;
2. The growth of cooperative and MSME business networks and business expansion;
3. Strong cooperative and SME capital structures;
4. Utilization of cooperative and MSME loan capital in a controlled manner is right on target.

Micro, small and medium enterprises (MSMEs) in Gorontalo Regency can take advantage of the presence of the Corporate Social Responsibility Program by using it as a solution to their problems.

5. Conclusion

5.1 Conclusion

The Corporate Social Responsibility program has goals and expectations including: (1) Funds provided as a form of corporate social responsibility to business actors who face challenges and obstacles in developing their business are known as Corporate Social Responsibility Programs, (2) To build the Company's Good Image and Name, (3) As a participatory step for the company to advance the MSME business industry.

Corporate Social Responsibility programs through community empowerment to increase the productivity of MSMEs in Gorontalo district are: (1) Providing Capital and Business Assistance Funds for MSME Actors; (2) Organizing Micro, Small and Medium Enterprise Exhibitions/Bazaars; and (3) Providing training to micro, small and medium enterprises.

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