IMPROVING THE WELFARE OF MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs) AFFECTED BY ECONOMIC CHANGE THROUGH A COMMUNITY ECONOMIC DEVELOPMENT APPROACH IN LAMPUNG PROVINCE

Hanif*, Is Susanto**, Moh. Mukri**

*Universitas Islam Negeri Raden Intan Lampung, Indonesia
E-mail: hanif@radenintan.ac.id

**Universitas Islam Negeri Raden Intan Lampung, Indonesia
E-mail: issusanto@radenintan.ac.id

**Universitas Islam Negeri Raden Intan Lampung, Indonesia
E-mail: moh.mukri@radenintan.ac.id

Abstract

The spread of Covid-19 in Indonesia has had wide-ranging impacts on human life, particularly on the economy. Therefore, a breakthrough is needed to address this issue by actively involving the community and working with the government to develop a community economic development program. This background prompted this study intending to obtain the right program for MSMEs affected by Covid-19 in Lampung Province. This study uses a qualitative approach with data collection methods, including observation, interviews, and documentation. The data analysis method used is qualitative analysis, with conclusions drawn using deductive thinking frameworks. The results of this study indicate that the community economic development approach by the Lampung Provincial Government has been implemented using the processes and stages outlined in existing theories. From the process perspective, this approach has successfully gone through each process, and so far, the program is considered capable of addressing the problems faced by MSMEs affected by Covid-19. This approach is considered more effective, as the program has been widely felt and successfully fostered creativity, trust, discipline, optimism, and improving family economies. This approach has also been implemented by Islamic economic values, which consist of the values of divinity, justice, and cooperation.

Keywords: Welfare of Society; MSMEs; Covid-19; Community Economic Development; Lampung.

Corresponding author:
Email Address: issusanto@radenintan.ac.id
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Abstrak


Kata Kunci: Kesejahteraan Masyarakat; Pelaku UMKM; Covid-19; Community Economic Development; Lampung.

INTRODUCTION

Disasters can be categorized into three types, namely natural, non-natural, and social disasters. One of the disasters that struck various countries, including Indonesia, a few years ago was the coronavirus virus (Covid-19). The spread of Covid-19 in Indonesia at that time fell into the category of non-natural disasters, which had wide-ranging impacts across various sectors of life. From a global economic perspective, this epidemic significantly affected Indonesia's economy and threatened the existence of Micro, Small, and Medium Enterprises (MSMEs). Although indirectly, their presence positively impacted MSMEs,
such as accelerating digitalization, product and service innovation, stronger community collaborations, and developing skills and capacities, especially for mask artisans, antiseptics, and others.

Indonesia’s national economy, which depends on and is dominated by MSMEs, has been seriously affected by the Covid-19 pandemic. This impact continues even after the pandemic, not only affecting production and trade values but also impacting the number of jobs and the number of people losing jobs. However, MSMEs have a significant contribution to job creation in Indonesia. According to data from the Ministry of Cooperatives and SMEs, in 2021, MSMEs contributed to Indonesia’s economy by employing approximately 117 million workers, or 97 percent of the total workforce. This means that MSMEs make a significant contribution to job creation in Indonesia.

The vulnerable conditions to disasters and the suboptimal disaster mitigation in Indonesia require breakthroughs in disaster management by actively involving communities and cooperating with the government. This approach aligns with Ibn Khaldun’s view that social communities (ashabiyah) play an important role in human life. According to him, humans cannot live independently and require assistance from others. Cooperation becomes the key to fulfilling human needs through cooperation in obtaining food and other necessities.

The social community theory (ashabiyah) introduced by Ibn Khaldun is the basis for community-based concepts that encompass various types of communities, including traditional and modern communities, referred to by Ibn Khaldun as badawah (traditional communities) and hadharah (modern communities). When applied to the economic realm, this ashabiyah theory can be considered as the basis for "community-based economics".

A community-based economic system is a new approach to addressing financial problems. This approach focuses on empowering and developing the economy of lower-class communities with the hope of achieving economic independence. Community development itself can be defined as a process where community efforts unite with government authorities to improve the community's economic, social, and cultural conditions. In further development, community development efforts have become a

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6 Ibnu Khaldun, Muqaddimah, Terj. Ahmadie Thoha (Jakarta: Pustaka Firdaus, 2000), hlm. 72.


8 George M. Foster, “Community Development and Primary Health Care: Their Conceptual Similarities,” Medical Anthropology 6, no. 3 (June 1, 1982): hlm. 184, https://doi.org/10.1080/01459740.1982.9987016.
community-oriented social development concept with various terms, such as community economic development and others.\textsuperscript{10}

In the context of community development, Community Economic Development (CED) is considered a primary strategy for improving community conditions, not only as a response to local economic decline and a lack of hope for revitalization from outside, but also through private market investment and government program support.\textsuperscript{11} One of the goals of this approach is to reduce poverty through training and job creation, as well as involving residents and stakeholders in its processes.\textsuperscript{12}

The theory used to address the research problem related to the CED approach for Covid-19-affected MSMEs in Lampung is the empowerment theory oriented towards future-oriented and sustainable community development with forms of training, mentoring, funding, and business networks.\textsuperscript{13} Based on preliminary research data in several districts in Lampung Province, local governments have implemented various community empowerment programs to support MSMEs. This information is supported by Kusnadi’s statement during the 2023 Cooperative and SME Coordination Meeting in the Ballroom of the Horizon Bandar Lampung Hotel. Kusnadi stated that one of the local government’s efforts to strengthen the MSMEs sector and entrepreneurship is through implementing training methods and optimizing incubation activities to support MSMEs.\textsuperscript{14}

LITERATURE REVIEW
A. Community Welfare

Welfare can be interpreted as a state of security, tranquility, peace, prosperity, and being free from all kinds of disturbances, difficulties, and similar issues.\textsuperscript{15} Welfare can be understood as a higher sense of living than happiness.\textsuperscript{16} A person feels living in welfare when they experience joy, do not lack within their capabilities, have their soul and mind calm, feel justice in their life, and are free from oppressive and threatening poverty.\textsuperscript{17}

In Islam, welfare is referred to as \textit{alfalah}.\textsuperscript{18} Etymologically, it means \textit{zhafarah bima yurid} or achieving victory over what is desired, symbolizing victory and prosperity by

\begin{itemize}
  \item Eric Shragge, \textit{Pengorganisasian Masyarakat...,} hlm. 81.
  \item Musa Asy’arie, \textit{Islam, Etos Kerja, dan Pemberdayaan Ekonomi Umat} (Yogyakarta: Lesfi, 1997), hlm. 141-144.
  \item Anwar Abbas, \textit{Bung Hatta dan Ekonomi Islam} (Jakarta: Multi Pressindo, 2008), hlm. 166.
\end{itemize}
attaining bliss in the afterlife.\textsuperscript{19} Terminologically, al-falah refers to happiness and fortune in worldly life and the hereafter.\textsuperscript{20} According to Islamic teachings, when viewed from various angles and dimensions of life as a whole, the term falah is often used to describe a state of material and spiritual welfare in both worldly life and the hereafter. In simple terms, falah can be interpreted as glory and victory in life.\textsuperscript{21}

The indicators of family welfare refer to the provisions of the National Population and Family Planning Board (BKKBN) of Indonesia, which has introduced the category of Family Welfare (KS) since 1994, based on a family's physical and non-physical conditions. There are five categories of family welfare (KS) established by BKKBN, namely Pre-Prosperous KS, Stage I KS, Stage II KS, Stage III KS, and Stage III Plus KS. This categorization is based on hierarchically structured indicators reflecting the stages of forming a prosperous family.\textsuperscript{22}

**B. Community Economic Development**

Development, often referred to as empowerment, generally has many interpretations. The term comes from "power," which means strength or skill. Based on this understanding, development can be explained as a process towards empowerment, giving power (strength or ability) to those who do not yet have it, or strengthening what already exists to be better.\textsuperscript{23} Linguistically, empowerment comes from the word "empowerment," which is an effort to enhance the community's ability through encouragement, motivation, and increasing awareness of their potential, aiming to develop potential through real actions.\textsuperscript{24}

Empowering the community encompasses developing self-reliance and independence and strengthening the community's bargaining position at the lower level against pressures


Community empowerment should be considered an effort to accelerate and expand steps to overcome poverty through the coordination of policies, programs, and development activities, both at the central and regional levels, so that its effectiveness significantly impacts overcoming poverty.

The implementation of community economic development holds great hope for improving the community's standard of living towards a better life. According to Goulet, a better life encompasses various aspects such as basic living needs, self-esteem, and freedom. Therefore, economists emphasize that the goal of community economic development should prioritize what is referred to as absolute necessities, the minimum requirements to meet basic needs.

Community economic development can be viewed through three main perspectives, namely: creating conditions that support the development of community potential, strengthening the community's financial capacity to explore economic opportunities, and community economic development also includes protecting the community and preventing imbalances in competition in community life.

The theory of community economic development refers to Asy'arie's opinion, which focuses on training, mentoring, capital, and business networks. Another opinion states that the approach to community economic development can be done through a top-down approach from the government and a bottom-up approach from the community's strength. The bottom-up approach consists of revolving capital assistance, institutional strengthening, infrastructure development assistance, mentoring assistance, local institutional development, and strengthening business and market partnerships. Meanwhile, the bottom-up approach from the community consists of natural resources, human resources, a supportive environment, social culture, and community participation.
C. Micro, Small, and Medium Enterprises (MSMEs)

MSMEs stand for Micro, Small, and Medium Enterprises. This term refers to the business sector consisting of business units with small to medium scales in terms of the number of employees, sales turnover, and assets owned. MSMEs are usually an important part of a country’s economy because they create jobs, increase community income, and support inclusive economic growth. In various countries, MSMEs can have diverse roles, from consumer goods producers to professional service providers, and are often the driving force of the local economy.

The Republic of Indonesia Law No. 20 of 2008 on MSMEs defines MSMEs based on three main criteria: the number of assets, sales turnover, and the number of employees. MSMEs are divided into three categories: micro, small, and medium, with different asset and sales turnover limits for each category. This law also provides a framework for special treatment and support for MSMEs, including taxation, credit, and other assistance to facilitate the growth and development of MSMEs in Indonesia.

According to Bank Indonesia, the definition of MSMEs is that small businesses are productive businesses owned by Indonesian citizens, which can take the form of individual businesses, non-legal entity businesses, or legal entity businesses such as cooperatives. These businesses do not have affiliations as subsidiaries or branches of medium or large enterprises, either directly or indirectly.

Referring to various definitions, it can be understood that MSMEs refer to micro, small, and medium enterprises that play an important role in the economy. Generally, MSMEs are considered productive businesses owned by citizens, with various business entities such as individuals, non-legal entities, or legal entities like cooperatives. It is also emphasized that MSMEs do not have direct or indirect affiliations with medium or large enterprises. This view provides a comprehensive understanding of MSMEs as economic drivers that can significantly impact inclusive economic growth and development, especially in Indonesia. As explained by Rujito in Irawati, MSMEs are one type of business that significantly influences Indonesia’s economy, both in terms of the number of businesses formed and the number of jobs created.

The common classification of MSMEs is based on the size of the business scale. The scale of a business can be measured through various factors, including net income, the number of employees, and the business capital owned. This perspective is reflected in the grouping of MSMEs conducted by institutions such as the World Bank and the Central Statistics Agency (BPS). They divide MSMEs into three main categories: micro enterprises with a maximum of 10 employees, small enterprises with up to 30 employees, and medium enterprises with up to 300 employees. Meanwhile, the Ministry of Cooperatives and SMEs and the Minister of Finance’s Decree refer to the classification of MSMEs based on the amount of capital and wealth owned by the business owners.

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33Heru Irianto et al., Kinerja Usaha Mikro Kecil dan Menengah (UMKM) Pangan (Surakarta: Cv. Indotama Solo, 2021), hlm. 7.
35Irma Herliza Riski et al., UKM Mandiri di Era Revolusi Industri 4.0 (Serdang: Cattleya Darmaya Fortuna, 2022), hlm. 4.
37Musran Munizu et al., UMKM: Peran Pemerintah dalam Meningkatkan Daya Saing UMKM di Indonesia, (Jambi: PT. Sonpedia Publishing Indonesia, 2023), hlm. 16-17.
Regarding various opinions, MSMEs are generally divided into three categories based on criteria such as the number of employees, sales turnover, and asset value. Micro enterprises are the smallest, with very few employees and limited turnover, often with assets up to IDR 50 million or a turnover of up to IDR 300 million. Small enterprises have a moderate scale with a larger number of employees, turnover, and asset value, typically with assets up to IDR 500 million or a turnover of up to IDR 2.5 billion. Meanwhile, medium enterprises have an even larger scale with a significant number of employees, turnover, and asset value, typically with assets up to IDR 10 billion or a turnover of up to IDR 50 billion. This classification helps the government provide appropriate support and understand the roles and contributions of various MSMEs to the economy.

METHOD

This study is a field research, which means it was conducted in real-life settings. The approach used is qualitative research, a process of inquiry and understanding based on methodologies investigating a social phenomenon and human problems. In this approach, the researcher creates a complex picture, studies words, provides detailed reports from respondents’ viewpoints and conducts studies in natural settings.

The informants in this research include all local government officials responsible for implementing community economic empowerment and all MSME actors participating in financial empowerment. The selection of informants employed a probability sampling design with a cluster sampling area technique, considering the vast area being studied. Informants were chosen purposively (purposive sampling) from the regions of Bandar Lampung City, Metro City, Pringsewu Regency, Tanggamus Regency, and Central Lampung Regency, with a total of 143,742 MSMEs. Data collection methods used include observation, interview, and documentation methods. The data analysis employed is qualitative analysis, which is then presented descriptively. Conclusions are drawn using a deductive reasoning approach, which involves analyzing data generally and then deriving specific findings from the general data points.

FINDINGS AND DISCUSSION

A. Improvement of the Welfare of SMEs Affected by Covid-19 through the Community Economic Development Approach in Lampung Province

Development and empowerment share the same meaning in encouraging or motivating, guiding, and assisting in independently increasing the capabilities of individuals or communities. This research was conducted to observe changes referring to social changes. The social changes referred to here are changes from a previously powerless...
and undeveloped community to one that is empowered and developed, and examining their previous capabilities by looking at the impact of the Covid-19 disaster on SMEs in Lampung concerning their ability to meet their livelihood needs.

Referring to the results of observations and interviews conducted by the authors, data was found showing that SMEs in Lampung Province felt a significant impact from the Covid-19 pandemic. These impacts include 1) decreased sales due to reduced community activities outside as consumers; 2). Difficulties in capital due to decreased sales levels resulting in slow capital turnover; 3). Restrictions on movement in product distribution in certain areas, hindering product distribution; 4). Difficulties due to dependency on raw materials from other industrial sectors.

Interviews with various local government officials revealed that in addressing the impact of Covid-19 on SMEs, the Lampung provincial government implemented a community economic development approach. The measures include training or workshops and providing additional capital to SMEs committed to developing their businesses. The process can be explained as follows:

1. Training Stage

Referring to the previous theory that every step in the community economic development approach program starts with a training session, this practice is implemented to increase SMEs' capacity as the program's main recipients. The training program aims to expand development capacity, enhance understanding of entrepreneurship, and improve skills in creating local products such as culinary items, crafts, and other skills.

Training was conducted over two days at the homes of SME operators, and this activity was open to all interested SMEs. Two different resource persons were responsible for the first and second days. During the training, participants were provided with two material sessions. The first session involved direct training or practice, such as making crafts, food, and other skills. This aligns with explanations from informants working at the Department of Cooperatives and SMEs in several districts and the experiences of some training participants.

One of the goals of the community economic development approach program is to find solutions to revitalize the local economy, reduce poverty through training and job creation, and involve the community and local stakeholders in the process. This approach was adopted by various regional government agencies in Lampung Province through relevant departments to address the impact of Covid-19 on SMEs in Lampung Province.

2. Business Capital Addition

Adding business capital is also crucial in implementing the community economic development approach for SMEs in Lampung Province. Before the Covid-19 pandemic, capital addition was carried out in each cycle of the community economic development program implementation, which was conducted every 4 to 5 months at several points for SMEs in Lampung Province through relevant departments. This capital addition is a revolving fund from one participant to another. Each participant is given a loan of two to four million rupiahs for new and existing participants in the community economic development program.

The revolving fund loan program is expected not to burden training participants during the loan repayment. The program manager stated: "The revolving fund loan program has actually been running for quite a long time, even before the Covid-19 pandemic. This loan is given to business actors who need additional capital, with
repayments made in installments every cycle, around every 4 months. Generally, the funds are fully collected during the next training period, and will be given to training participants who need additional capital”.

Economic empowerment through the community economic development approach gives SME actors the opportunity to build or continue and develop their businesses individually or in groups to achieve desired results. Before borrowing capital, each SME actor, whether individual or group, must explain the type of business they want to run or are running, and provide reasons for the capital addition.

Additionally, field data findings indicate that these data essentially reflect the steps and results of economic empowerment through the community economic development approach to improve the welfare of SMEs affected by Covid-19 in Lampung Province. The author’s analysis, referring to existing theories, shows that the program goes through at least four stages: planning, implementation, institutionalization, and monitoring or evaluation. These stages can be explained as follows:

1. Planning Stage

Planning involves steps in setting organizational goals, designing strategies to achieve those goals, and preparing organizational activity plans. Planning is considered the most crucial process of all management functions because without planning, other functions such as organizing, directing, and controlling cannot be effectively carried out. The planning stage for the community economic development approach for SMEs affected by Covid-19 in Lampung Province is carried out through the introduction and problem identification stages.

The introduction stage is a process to understand and become more familiar with the situation, conditions, and social relationships within. This stage shows a deeper mutual understanding of the phenomena and situations experienced by a region. In this stage, the local government implementing community economic development conducted an environmental analysis to determine the desired programs by SMEs. Indicators found from field research show that one of the problems for SMEs in Lampung Province is financial issues, where during the Covid-19 pandemic, SMEs in Lampung Province experienced a decline in income, while expenses remained, causing an imbalance between income and expenses. This is explained by the community economic development program implementers in Bandar Lampung City, Metro City, Pringsewu Regency, and Central Lampung Regency, who have conducted discussions with SMEs, sharing solutions to existing problems, especially related to capital, assistance, and other issues.

Next is the problem identification stage, which determines the program to be formed in the community. Its purpose is to produce program outputs based on participation and cooperation. According to research data, the problem identification related to the implementation of the community economic development program includes family financial issues, lack of education and skills, and having businesses to address income problems. Field data show that problems for SMEs in Lampung Province are financial

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issues, education, and skills, especially after the Covid-19 pandemic spread across various regions in Lampung. This data is reinforced by interviews with various SMEs in Lampung Province.

Referring to the various explanations, the author believes that the planning process carried out by the local team in implementing community economic development is detailed and comprehensive, starting from the introduction to problem identification stages, where cooperation and sharing solutions are evident from the efforts made by various parties. The planning stage for implementing the community economic development program is well-directed, ensuring the continuation of subsequent stages for the economic assistance program for SMEs in Lampung Province, aiming to improve their welfare.

2. Implementation Stage

The implementation stage is the most important in community empowerment and assistance programs. Well-planned programs can falter in execution if there is no cooperation among various parties, including local governments, SMEs, and among SMEs themselves. This cooperation has been undertaken by various parties in implementing the community economic development program. For example, assistance for SMEs in Lampung Province has been carried out by several parties. Besides the Department of Cooperatives and SMEs in Bandar Lampung City, several universities have collaborated and provided assistance to SMEs in Lampung Province, such as Bank Indonesia in cooperation with Lampung State Polytechnic in implementing SME onboarding in Lampung Province. In this activity, Eko Win Kenali, the head of the activity, explained that it consisted of several stages, including an education stage attended by 50 SMEs, followed by assistance and monitoring for SMEs.

Lampung State Polytechnic also provided assistance for content marketing optimization to increase sales turnover for SME groups. This activity was carried out by lecturers and students of Lampung State Polytechnic for SMEs under the guidance of Bank Indonesia. The assistance aimed to help SMEs increase their turnover, especially after the Covid-19 pandemic impacted SMEs income. Similarly, the Palm Oil Plantation Fund Management Agency (BPDPKS) collaborated with the Ministry of Finance Lampung in sustainable SMEs empowerment.

Each stage of the community economic development program begins with training sessions aimed at developing the capacity of SMEs as the main participants of the program. Training focused on practical and theoretical materials is expected to be implemented by community economic development participants. This practical training aims to motivate SMEs who are still uncertain about their businesses, providing new enthusiasm for SMEs participants. The purpose of business training is to develop motivation, knowledge, skills, experience in running small businesses, or having small home industries and teamwork for mutual support.

3. Institutionalization Stage

The institutionalization stage is a specific phase aimed at building aspects of independence or sustainability. The community economic development program is clear,
Improving the Welfare of Micro, Small, and Medium…

measurable, and planned, ensuring continuity rather than stopping at a certain point. Sustainable economic empowerment and development programs will build community independence and increase productivity.

Actions taken in implementing the community economic development program in Lampung Province for SMEs include strengthening human resources (HR) and establishing partnerships. Strengthening local institutions can be done through HR development as program managers. This has been carried out in the community economic development program for SMEs affected by Covid-19 in Lampung Province, such as improving capacity building, leadership, business knowledge, and financial bookkeeping for SMEs.

4. Evaluation Stage
Evaluation can be conducted on the processes and outcomes of the community economic development program for SMEs post-Covid-19 in Lampung Province. This means it can be carried out at certain times and ultimately on the ongoing process. The goal of evaluating the community economic development program for SMEs in Lampung Province is to determine the extent to which the objectives have been achieved, identify the hindering and supporting factors, and decide what steps need to be taken to improve the program.

In the context of the community economic development program approach for SMEs affected by Covid-19 in Lampung Province, the evaluation process and implementation involve discussions, opinion polls, and sharing sessions among SME actors. To measure the success of the SMEs participating in the community economic development program, discipline in attending training and mentoring sessions, and the growth of their businesses post-training and mentoring, are considered. The evaluation process for the community economic development program is very detailed and clear, though in technical stages, further evaluation and development may still be necessary. Evaluating the success of participants is also very clear, such as through awarding and providing additional capital for those who wish to expand their businesses further. This has been implemented by the local government of Lampung Province to ensure the sustainability of business development for SMEs in Lampung Province.

Furthermore, the author describes economic empowerment through the community economic development approach for SME actors in Lampung Province as follows:

<table>
<thead>
<tr>
<th>Stage of Community Economic Development</th>
<th>Field Problems</th>
<th>Solutions Implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning Stage</td>
<td>1. Financial issues (capital)</td>
<td>1. Situation introduction</td>
</tr>
<tr>
<td></td>
<td>2. Income decline</td>
<td>2. Problem identification</td>
</tr>
<tr>
<td></td>
<td>3. Family finances</td>
<td>3. Solution-sharing discussions</td>
</tr>
<tr>
<td></td>
<td>4. Lack of education</td>
<td>4. Participation and collaboration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. Revolving loan capital</td>
</tr>
<tr>
<td>Implementation Stage</td>
<td>1. Lack of skills</td>
<td>1. Cooperation between parties</td>
</tr>
<tr>
<td></td>
<td>2. Lack of cooperation</td>
<td>2. Collaborative mentoring</td>
</tr>
<tr>
<td></td>
<td>3. Low motivation to grow</td>
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</tr>
</tbody>
</table>

The Community Economic Development Approach for SMEs Actors.
In Addition to Various Stages in the Implementation of the Community Economic Development Program for MSMEs Affected by Covid-19 in Lampung Province, it should also be illustrated here that the community economic development program approach is quite effective in the economic recovery of MSMEs in Lampung Province affected by Covid-19. This is evident from the field data obtained, which shows three major points from the results of economic empowerment through the community economic development program for MSMEs in Lampung Province. These points are that MSME actors who have participated in the community economic development program have gained self-confidence, changed their family economic sources, and fostered family economic independence.

Self-Confidence Aspect, The results of the businesses run by MSMEs participants in the community economic development program have enabled each participant to change their behavior and gain strong self-confidence. The money earned can solve family economic problems, at least they no longer depend on assistance from the government or other parties to meet their family's needs.

Change in Family Economic Sources, In the aspect of changing family economic sources, it is evident that economic empowerment through the community economic development program for MSMEs in Lampung Province has brought significant positive benefits for MSMEs actors. This program enables MSMEs actors to become economically independent by enhancing their business activities, thereby stabilizing their economy. Therefore, the community economic development program can support MSMEs actors in fulfilling their need for alternative income after being affected by Covid-19.

Family Economic Independence Aspect, Through the community economic development program approach for MSMEs in Lampung Province, opportunities can be opened for participants of this program to become agents of change in their daily lives, to become disciplined and responsible in running their business activities. The results of
empowerment and development carried out through the community economic development program for MSMEs affected by Covid-19 can be seen from family economic independence. This family economic independence is evident from the increased productivity and income within the family and the ability of MSMEs actors to prioritize their family's needs. Here, besides increasing productivity, MSMEs actors can prioritize the most important needs first and then fulfill the subsequent needs.

B. Increased Welfare of MSMEs Actors Affected by Covid-19 through the Community Economic Development Approach in Lampung Province from the Perspective of Islamic Economics

Based on the analysis and studies conducted, the author concludes that the community economic development program aims to guide and support MSMEs actors in Lampung Province affected by Covid-19 in obtaining information, knowledge, skills, and additional capital that are useful for their livelihoods, or in other words, to help vulnerable groups to have the strength (ability) to meet their basic needs so that they do not live in deprivation. Empowerment through training activities is an effort to increase the knowledge and creativity of MSMEs communities and to improve the economy of MSMEs actors as the ultimate goal of this approach.

According to the perspective of Islamic economics, economic activities serve not only as a means of meeting worldly needs but also have a spiritual dimension in the hereafter. Human economic actions are not limited to the physical development of individuals, communities, and groups but also emphasize the importance of developing other integral aspects to achieve a life of justice and happiness. Humans have the freedom to engage in various economic activities as long as they comply with the principles of Islamic law. In the Islamic view, economic activities must be conducted carefully and based on Islamic moral and economic values, as well as following the guidance found in the Qur’an and Sunnah as the foundation of Islamic life.

Based on the author’s analysis, it can be concluded that the community economic development program approach for MSMEs actors affected by Covid-19 in Lampung Province is essentially in line with the basic values of Islamic economics. These basic values serve as guidelines in designing and implementing community economic development programs. The basic values of Islamic economics referred to are: the Value of Divinity (Ilahiah), the Value of Justice, and the Value of Ta’awun.

The value of Divinity is instilled by upholding the values of truth, honesty, courage, and consistency in truth. The development of the community economic development program for MSMEs actors affected by Covid-19 in Lampung Province not only includes skills and expertise in business activities but also instills the principle of Divinity where honesty in carrying out activities and openness among fellow MSMEs participants and related stakeholders is emphasized. The development of the community economic development program also instills in MSMEs actors in Lampung Province the principle of working as hard as possible and entrusting everything to Allah Swt., because they believe that everything on earth belongs to Allah Swt., humans are only entrusted with and used

as much as possible for the common good and always strive to ask Allah SWT. to provide for their sustenance.

Similarly, the concept of the value of Justice has been instilled in the community economic development program for MSMEs actors affected by Covid-19 in Lampung Province. Planting the value of justice has become part of strengthening the understanding of MSMEs actors in the business activities they carry out, and this value of justice is evident from the collaboration among MSMEs actors in developing their understanding and skills as participants in the community economic development program. The values of justice are also evident from the collaboration between program resource persons and MSMEs actors as participants in the program.

Meanwhile, the value of Ta’awun is evident from the involvement of the government in implementing the community economic development program for MSMEs actors affected by Covid-19 in Lampung Province, where the government cooperates with various agencies and stakeholders to implement the program. In addition, the involvement of the government can also be seen from efforts to provide assistance, albeit not maximally, as business capital to increase the production of MSMEs actors, which is one form of religious recommendation that must be improved because it is one of the obligations of the state in Islam. Providing guidance is also something that must be done to improve the professionalism of MSMEs actors in facing the impact of Covid-19 in Lampung Province.

Islam encourages its followers to produce and participate in various forms of economic activities, including agriculture, horticulture, fisheries, industry, and trade. MSMEs are productive economic activities that stand alone, conducted by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or directly or indirectly part of medium-sized enterprises. And to help improve the economy for MSMEs using the community economic development approach is not prohibited, because its goal is in line with Islam itself, namely to equalize the welfare of humanity. The community economic development approach also applies in accordance with Islamic principles so that in human life, there is mutual recognition and mutual assistance through partnership. Islam commands humans to cooperate in all matters, and likewise, the community economic development approach.

CONCLUSION

The results of this study indicate that the improvement of the welfare of MSMEs communities affected by Covid-19 through the community economic development approach in Lampung Province has been implemented in accordance with the process outlined in the theory of community economic development through four stages: the planning stage, the implementation stage, the institutionalization stage, and the evaluation stage. From the perspective of these processes, the community economic development program has successfully executed each stage, thus far considered capable of addressing the challenges faced by MSMEs actors in Lampung Province. The community economic development approach is deemed more effective, as the program has been widely felt by MSMEs actors participating in it. These actors have successfully cultivated creativity, confidence, discipline, and optimism, thereby improving their family's economy. Meanwhile, from the perspective of Islamic economics, the community economic development approach is not contradictory and has been implemented in accordance with the values of Islamic economics, consisting of the values of Divinity, justice, and cooperation.
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