

**The Establishment of a Joint Business Group (KUB) as an Alternative to The Economic Independence of The People of Pedak Village, Srandakan, Bantul**

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**ABSTRACT**

*The economic independence of rural communities depends on the ability of the community to run the businesses owned by themselves. One of the businesses that can be developed by the village community is the development of culinary snacks, which are the daily needs of the community. This empowering program aims to increase the economic independence of the people of Pedak in the village of Trimurti, Srandakan District, Bantul Regency through the establishment of Kelompok Usaha Bersama (KUB). The output of this program is the establishment of KUB, which is engaged in culinary snacks sold in several places such as cake shops and cake bazaars during Ramadan. In addition, the resulting cake products will also be tried to be marketed in the tourist area of Bantul beach and tourists who pass the main Bantul-Kulonprogo road. From the formation of the KUB, it is hoped that the community can be empowered so that the economic independence of the community can increase their income. This program is implemented because Pedak area has potential in product marketing and high demand for snacks. For the success of this program, training in food management, packaging according to standards, and structured marketing and organizational training has been carried out.*

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## **INTRODUCTION**

Pedak village is an area within the Trimurti District, Sragkan District, Bantul Regency, DIY Province. Geographically, this hamlet is located approximately 10 KM from the center of Bantul and is an access road between Bantul Regency and Kulonprogo Regency. In addition, this hamlet is also close to several tourist attractions in the Bantul and Kulonprogo areas which make this area has strategic potential for the development of a culinary snack business. The majority of residents' jobs in this hamlet are employees, laborers, shop businesses, and several home businesses. Judging from the demographics of the area, this hamlet does not have rice fields, so there are no rice farmers in this area. There are already small/ home businesses owned by the people of Pedak hamlet to make a living, but these efforts are still carried out individually and are not well organized so that the income they get is not maximized.

The community of Pedak hamlet has carried out community activities in collaboration because the village community's culture of mutual cooperation is evident in this village. Through preliminary observations by the community service team, it was seen that the community of Pedak hamlet was very strong, such as the celebration of traditional village activities, management of marriages, bereavements, and religious celebrations. However, cooperation in terms of doing business/ entrepreneurship has not been seen in this hamlet. For this reason, the solidarity of the residents of Pedak hamlet is a great potential in the development of a Joint Business Group (KUB) to obtain better income and economic welfare. KUB is expected to be able to make the community enthusiastic about entrepreneurship, so that it can form community economic independence for common prosperity, and can even form a microfinance institution (Margolang, 2018).

In addition, KUB is also an initiation for the community to form village cooperatives that can be useful for small and medium enterprises (Zakiy et al., 2020). KUB can also be one of the media to build the ability to solve a problem, meet the needs of life, carry out a social role by developing self-potential that integrates social and economic aspects (Sulamah, 2016). Some people do their small business just as a side job, and most of them think of becoming employees whose monthly income is fixed so that their entrepreneurial motivation has not yet been formed. In addition, low levels of education also exacerbate this situation. Irfandi et al. (2018), said that the lack of conditions in society could cause them to be helpless, isolated, unable to convey their aspirations and unable to carry out their social functions. Another obstacle faced by the Pedak hamlet community is that access to learn and develop entrepreneurial skills is still limited. For this reason, joint socialization and training are needed so that the people of Pedak hamlet can be motivated to start a business.

Some individuals in the community have tried to start entrepreneurship by producing cooking utensils, selling snacks individually such as chips, porridge, cakes for meetings, etc. However, product marketing is limited to the surrounding community, and some are sold in shops around Pedak hamlet. It can

be said that the marketing system is not well integrated, so that product sales are not maximized. When viewed in the business world, effective product marketing is crucial for the progress of a business. This is evidenced by several previous studies which state that marketing is a determinant of the progress of a business (Purwanti, 2012: Feriyanto, 2017). For this reason, a marketing system that is integrated with consumers, both online and offline, is needed in order to improve sales performance. One of the programs that the community service team will carry out is to maximize existing resources to market the products produced by the Pedak hamlet. As can see in Figure 1. and Figure 2.



**Figure 1.**  
Business developed by residents of Pedak village



**Figure 2.**  
Business developed by residents of Pedak village

## **LITERATURE REVIEW**

Community economic development is not the only task of the central, provincial, and local governments. However, economic development must be implemented for all levels of society, including those in rural areas. Economic development in developed and developing countries like Indonesia certainly has different strategic targets to be developed. It can be seen that for developed countries, the focus of development has been towards the latest technological aspects such as robots, artificial intelligence, and hybrid concepts. This is different from developing countries that focus more on development on tangible factors such as toll roads, ports, airports, buildings, and so on. From the focus of economic development in developing countries, it can be seen that inequality and the negative impacts of this development, such as environmental pollution, socio-economic inequality, and equitable development. To overcome these problems, human development is needed first through empowerment in all sectors.

The concept of empowerment is a solution in overcoming various problems in society, especially in Indonesia, where the majority of people live below the poverty line. This is in line with the program conducted by Ras (2016), which explains that community empowerment is an effort to alleviate poverty. This is because empowerment involves various elements, such as an empowered community, skill development, and direct involvement. According to Hasan & Azis (2018), seen from the operational process, the idea of empowerment has two tendencies, including first, the primary tendency, namely the tendency of the process to give or transfer some power, strength, or ability (power) to society or individuals to become more empowered. This process can also be complemented by efforts to build material assets to support their independence development through the organization; and second, secondary tendencies, namely tendencies that emphasize the process of stimulating, encouraging or motivating individuals to have the ability or empowerment to determine what their life choices are through the dialogue process. Jadmiko et al. (2019) explained that by giving motivation, we are able to direct someone to do something.

Empowerment is mostly carried out in various fields aimed at providing added value to society, both from a socio-economic and cultural perspective. Empowerment itself is defined as increasing the ability to access elements of development, especially health, education, opportunities to earn income, rights, and political participation (Duflo, 2012). From this definition, it can be said that community empowerment is a step or activity carried out to provide opportunities for the community to increase their social, economic, and cultural values so that they become better. Umanailo (2018) explains that community empowerment is an effort to provide abilities as well as opportunities for the community to take an active role in development. One of the positive impacts of implementing community empowerment programs is that people are able to take responsibility for their work. Hasan & Azis (2018) divides empowerment into three:

1. Creating an atmosphere or climate that allows the potential of the community to develop (enabling). Here the starting point is the recognition that every human being, every society, has potential that can be developed. This means that no society is totally helpless, because if so, it would be extinct. Empowerment is an effort to build that power by encouraging, motivating, and raising awareness of its potential and striving to develop it.
2. Strengthening the potential or power of the community (empowering). In this context, more positive steps are needed, apart from just creating a climate and atmosphere. This strengthening includes concrete steps and involves providing various inputs, as well as opening access to various opportunities that will empower the community. In the framework of this empowerment, a significant effort is to increase the level of education and health status, as well as access to the sources of economic progress such as capital, technology, information, employment, and markets.
3. Empowering also means protecting. In the process of empowerment, it must be prevented that the weak become weaker because of a lack of power in facing the strong. Therefore, protection and partiality for the weak are fundamental in the concept of community empowerment. Protecting does not mean isolating or covering up from interactions, as it will dwarf the small and neglect the weak.

One of the steps to empower the community is through a Joint Business Group (KUB) or better known as a business cooperative. Cooperation in business is an alternative to developing a business today. Through group-based empowerment, it can be more effective and efficient in order to improve people's economic standard of living (Triyono, 2014; Kurniawati, 2013). Another opinion is conveyed by Rifa'i (2013), which explains that community empowerment can increase income and increase production, and possibly impact on the existing potential in the community. In addition, community empowerment can also increase motivation directly for people who feel that they are involved in decision making. The steps of the empowerment program of Pedak residents as can see in Figure 3.

## **MATERIAL AND METHODS**

The problem faced in the production aspect is that each snack food entrepreneur does not have uniformity and does not meet the standards for establishing KUB. This is because each individual has different views about the name, form, and operationalization of the business to be run. In addition, the product packaging owned by the business does not meet the packaging standards that are ready to be marketed to the broader community. Another problem that occurs and a solution must be sought is that each business manager has not been maximized in managing business finances such as business financial reports and simple accounting. For the aspect of product promotion, the problem faced is that the business actors have not maximized the effective promotion channels, while the hamlet location is very strategic for the sale of business products.



**Figure 3.**  
The Steps of the Empowerment Program of Pedak Residents

## **Research Approach**

### **Approach for Production Issues**

The approach taken to solve this problem is by facilitating and mentoring training in making cake packaging products that are worth selling, solving problems that arise in training, and providing production equipment for KUB. In addition, facilities and assistance will also be given to register a business license for KUB.

### **Approach to Business Management**

In assisting the management of KUB, the community service team acts as a facilitator whose function is to facilitate and provide assistance in business financial management to KUB so that they can manage their business finances properly and effectively. This basic financial management consists of training in making general journals, income statements to balance sheet reports.

### **Approach Method for Promotion**

In marketing the snack products that have been made by KUB, the service team will then form an attractive brand and logo for KUB, then KUB partners will be given training on product marketing such as making social media, offering to several external partners who will sell cakes and remarket the cake.

### **Partners Participation in Program Implementation**

This program is carried out through a number of stages and is carried out in the form of cooperation between the Community Service team, UMY students, and KUB. For this reason, the implementation of this program requires the participation of all elements involved. This program is carried out in several stages, including:

1. The Proposal Team conducts initial observations and interviews to find out problems and solutions to be taken through meetings with hamlet heads, community leaders, people who own businesses.
2. After the program proposal is approved by all parties, the service team will schedule, provide assistance, identify problems that arise, train, socialize, and evaluate the implementation of activities. After that, the proposing team which involved students and KUB carried out a number of activities that had been designed together. In this stage, the form of participation from the community who are members of the KUB is to provide a place for training activities and to spend time participating in activities.

### **Evaluations of Implementation and Sustainability of the Program**

Evaluation of this service program is carried out immediately after each training, through discussions with KUB partners about the implementation of activities that have been carried out to determine the

effectiveness of the program that has been implemented. All the results of the discussion and evaluation will be used as recommendations for further training. At the end of this service program, the service team and students will conduct a final evaluation for internal evaluation. As a form of sustainability of this service program, the service team will continue to collaborate with KUB Partners for the next several periods by occasionally visiting the location, to see the development of KUB's business after being implemented. This service program has 15 partners until the end of the program, which originally numbered 22 people. Given that many of the community service partners have not reached higher education, program assistance and motivation must always be carried out. The expected target for the next one year is that community service partners have distribution channels both offline and online.

## **RESULTS AND DISCUSSIONS**

### **Overview and Implementation of Activities**

After the community service team conducted a field survey and discussed the community service program, we decided to carry out a cake KUB service program. The people of Pedak hamlet have the potential to develop joint businesses in the form of snacks that they each produce at home individually. The absence of cooperation between the cake producers in this village has made the business being carried out not maximally in reaching market share and people's tastes. So far, people only make cakes for their own consumption and as food/snacks when there is a hamlet meeting without thinking of making them a product that can add economic value to the community. The people of Pedak Hamlet, especially women, are mostly housewives, which makes opportunities for business from home very possible. The limitations of the types of business in Pedak hamlet, such as the absence of rice fields, make the people here have to look for other business alternatives. In addition, the geographical location that the author has revealed above also supports the service team in deciding to carry out a service program in this village. From this program, it is hoped that partner communities can form a joint business that can provide added value economically for the empowered partner community.

This service program is carried out by providing socialization about KUB, developing motivation, training, and monitoring business results. This program is carried out for two months by adjusting the time between the service team, the coach, and the partner community. The formation of KUB is not too difficult, considering that the majority of the community partners already understand food processing and already have expertise in snack making. The community service team is assisted by an external party that has expertise in making / training cakes and snacks. For this reason, this program is divided into several stages, namely socialization, motivation, and the formation of KUB carried out by the service team, while training and sales are carried out by external trainers accompanied by a service team.

### **Preparation for Community Service**

This program begins with observation and identification of the problems faced by partners as well as the needs for the smooth running of this service program. After knowing the problems and needs, an activity program will be drawn up, which will be carried out for the next two months with the partner community. Scheduling, budgeting, and forms of activities, as well as purchasing materials and administrative correspondence, are prepared by the team in collaboration with the hamlet administrators before the implementation of the activity. In addition, the team also observed areas that have the potential to become sales partners, such as snack stalls and tourist attractions in the area around Pedak hamlet, so that they are easy to market. The team is also looking for an external trainer to help with the snack training and schedule the training.

This training program begins with the socialization of empowerment programs by gathering target community partners, stimulating commitment to collaborating, and building partners' motivation to start new businesses. This initial step was taken in order to increase the motivation and commitment of potential partners to participate in community service activities for the next two months. The first material presented was on the theme of community empowerment and collaboration so that each individual can contribute to this program so that the community can increase their income. In addition, this group is also encouraged to move forward and walk together so that a group-based empowerment concept (KUB) emerges. The next material on the theme is the business plan. This material is also intended so that the public can understand that a business must think about the long term, not just the short term, and requires effort and sacrifice in getting started. On this occasion, this material also discussed the production, distribution, and marketing activities to partner communities. In addition, problems regarding conflict management are also material that is conveyed to the community because in an organization, there must be conflicts that are expected to improve team performance so that it must be managed properly. The delivery of this material is of course, carried out in a flexible manner without appearing to be patronizing the adult participants.

### **Creating Materials**

To prepare the program agenda to be implemented, the service team prepares materials that will be delivered to partner communities in the form of organization formation, entrepreneurial motivation, snack-making materials, and social media for promotion. All materials made have gone through the discussion stage with the service team, community partners, and external cake trainers so that the material needs are in accordance with what is needed. As for the equipment for making snacks, existing citizens' equipment is used independently of individuals, and for equipment that is still lacking and needed for the smooth running of the service program, it will be provided by the service team as inventory for the KUB that will be established later. For the purchase of the cake ingredients themselves will be provided by the service team in consultation with the trainers who will conduct the training.

### **Implementation of Community Service**

After preparing the tools, materials needed, and the agreed time, training was carried out on the organizational structure using the method of the presentation by the speakers, then discussions with the audience and games that could form a good team. This first training was conducted in one of the residents' houses, which had a meeting room large enough to accommodate the participants of this training. In this KUB formation training, the name of the KUB and a simple management structure was also formulated. The first training was greeted enthusiastically by the participants by being actively involved in discussions, opinions, and providing ideas regarding the KUB process going forward. From this initial training, partner communities felt that they had the enthusiasm to start a business and were committed to the next training process. This training was filled by the UMY service team in collaboration with the Pedak hamlet apparatus.

After conducting training on motivation and commitment to undergo this service program, training was carried out on making cakes and snacks with external speakers who were accompanied by the UMY service team. This training is carried out in residents' homes which have comfortable rooms and can be used for cake making training. This training is carried out alternately in the homes of residents who are deemed worthy of this training. This is done because it is considered effective in seeing the process of making cakes and snacks from each member so that the service team can know the needs, time, and readiness needed. All the needs in this training are funded by UMY in the form of training consumption, trainers, and the materials needed. The training starts with identifying the cakes and snacks that partner members have produced to correct any deficiencies so that the training can save a lot of time. In addition, training on new types of cakes was also carried out to increase further the variety of products to be sold. Cake and snack cooking training with Pedak Village Partners as can see in Figure 4.

After the cakes and snacks were made, the community service team tried to market the cakes to several places that had been identified earlier. This marketing is divided into 2 methods, namely through online and offline. For online marketing, it is marketed through chat groups and other social media and offline marketing through direct sales to shops, tourist attractions, *takjil* sales in the month of Ramadan, and for the consumption of regular residents' meetings. The implementation of this program is well implemented, and the partner community seems enthusiastic in participating and increasing the enthusiasm of the Pedak hamlet residents to try new things. In the end, this service can benefit partner communities to improve their socio-economic status.

### **Obstacles**

Some issues occurred during the community service are as follows:

### **Internal Issues**

This training carries the theme of empowering the Joint Business Group (KUB) where the re-



**Figure 4.**  
Cake and snack cooking training with Pedak Village Partners

sults/benefits are seen not directly but are long-term in nature. For this reason, it is very difficult to convince partner members to commit to KUB so that it continues to run well. As a result, many members did not prioritize the training activities carried out by the service team. The next obstacle is that the majority of partners work as housewives who have a lot of free time, it is feared that when there is other work, the partners will prioritize these other activities. There are several individual partners who are not sure about the future of this KUB because there is no formal legal form that has been formed, so the motivation and commitment of the members must always be repeated. In addition, another obstacle faced by the service team is the absence of an entrepreneurial spirit of the members so that the service team must intensively monitor the implementation of this service process.

### **External Issues**

There are several external obstacles faced by the service team while carrying out service program activities. Among others, there are other activities of the partner community, such as helping husbands, taking care of children, etc., so that the training program is only held once a week. This results in less than the optimal practice of what has been learned. Another external obstacle is the lack of support from the village/district government in terms of capital and development of small and medium enterprises. Although hamlet administrators have provided technical assistance in the field, it still lacks if the village or district government has not supported this program of activities. The last external obstacle is the absence of a place for direct selling for consumers, considering that there are many competitors in cake and snack shops that are already known to the wider community.

### **Further Plan**

Based on the results of the activities, some further steps are necessary:

1. Facilitating product marketing, training, and assistance in establishing cake outlets with their own stores of KUB.
2. Help to market products directly through the bazaar or the like
3. Provide business licensing assistance to the Yogyakarta Provincial Trade office if the program runs stable, and an organizational structure has been established
4. Collaborating with large stores in order to increase product sales volume.
5. Facilitating business financial management training for each partner member and organizational structure in KUB.
6. Training and providing cooperative management literacy to cooperative members in order to follow up on their seriousness in establishing sharia cooperatives.
7. Assist the community in partner villages so that they can become socially and economically independent and make field visits if needed.

The community service team has conducted monitoring after completing the empowerment program for two months by providing a questionnaire with questions. From the questionnaire given, the majority of partner communities answered agree and strongly agreed to questions such as having new skills, enthusiasm for entrepreneurship, doing useful things, and questions about the future of the business being undertaken. However, for the question of business profits that can support the family, and this business question is used as the main income, the majority of the partners' answers were insufficient and quite agreeable. This is because the program has only been implemented for two months, and there have not been any big benefits for partners. In addition, the partners are still in doubt if they have to switch to running this business fully.

## **CONCLUSIONS & SUGGESTIONS**

### **Conclusions**

This community service program is carried out to provide added value to partner communities in terms of economic, social, and cultural empowerment so that the community is more independent in this regard. This service program has also provided new experiences for partner communities in terms of building teamwork to achieve common goals. Of course, this can be achieved if all the components involved in it can go hand in hand well.

### **Suggestions**

Suggestions that need to be followed up in this service program have been conveyed in the obstacles faced previously. For this reason, the most important thing to overcome these problems is to motivate and build commitment from partners in a sustainable manner and explain the importance of entrepreneurship. In addition, the community service team has also trained the younger generation who are partner members to run the business independently, so that business processes can be carried out even though the service team is not involved.

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