

The Role of Entrepreneurship Literacy in Community Empowerment to Improve Local Economic Potential in Denai Sarang Burung Village

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ABSTRACT

This study aims to examine the role of entrepreneurial literacy in community empowerment to enhance local economic potential in Denai Sarang Burung Village. The methods used include digitalization training, strengthening market access, and collaboration with international partners. The results show that improving entrepreneurial literacy significantly increases the capacity and competitiveness of women MSME actors. The establishment of institutions such as the Merah Putih Cooperative strengthens coordination and collective marketing, supporting business sustainability. The challenges of women's dual roles as housewives and entrepreneurs have begun to be identified and are the focus of sustainable solutions. This study provides an important foundation for the development of an inclusive and sustainable community-based local economy.

Keywords: Entrepreneurship Literacy, Community Empowerment, Local Economic Potential, Women's MSMEs, Marketing Digitalization, Cooperatives, Denai Sarang Burung Village

1. INTRODUCTION

Denai Sarang Burung Village, located in Pantai Labu Subdistrict, Deli Serdang Regency, has significant socio-economic potential with a population of 1,980 people, 70.4% of whom are in productive age. However, the community faces challenges, as 65% of its residents have only completed primary school or have no formal education, limiting their entrepreneurial capacity. Most livelihoods depend on agriculture and small-scale enterprises, but low productivity, limited technology, and restricted market access hinder competitiveness.

Previous studies on MSMEs in Indonesia have emphasized the importance of entrepreneurship for economic growth, but they tend to focus on urban or general contexts, overlooking rural women entrepreneurs with limited educational backgrounds. This study fills that gap by applying a Participatory Action Research (PAR) approach to enhance entrepreneurial literacy and empower women MSMEs in Denai Sarang Burung Village. The program emphasizes digitalization training, cooperative development, and international collaboration, aligning with the Sustainable Development Goals (SDG 1: No Poverty and SDG 5: Gender Equality).

The majority of residents depend on agriculture and small and medium enterprises (SMEs) for their livelihoods, but productivity and business competitiveness remain low due to limited market access, lack of technology, and lack of community-based empowerment programs. This situation hinders the local economic potential and welfare of the village community.

Strengthening entrepreneurial literacy is an important strategy in community empowerment to improve the community's capacity to manage businesses, expand marketing networks, and adopt innovations. Entrepreneurial literacy not only improves managerial skills but also encourages active community participation in village economic development.

This community service activity involves international partners from Universiti Sains Malaysia (USM) who focus on women's empowerment and gender-based entrepreneurship development, as well as support from the village government as program facilitators. This collaboration is expected to strengthen community capacity and encourage inclusive and sustainable economic development.

This program is also in line with the Sustainable Development Goals (SDGs), particularly SDG Number 1 on poverty eradication, with the hope of creating new jobs and increasing community income in a sustainable manner. Through an empowerment and entrepreneurial literacy approach, Denai Sarang Burung Village is expected to become an example of an independent and competitive village.

2. LITERATURE REVIEW

Entrepreneurial literacy is an essential component of community empowerment. Bandura (1986) emphasizes that self-efficacy is strengthened through learning and practice, while Wenger (1998) highlights the importance of communities of practice in shaping collective capacity. Chambers (1994) and Chevalier & Buckles (2019) argue that participatory approaches are crucial for sustainable empowerment, where communities actively engage in problem identification and solution-making.

Recent studies support this view. Setiawan & Hapsari (2021) found that digital transformation enhances the competitive advantage of SMEs in Indonesia. Widodo et al. (2023) highlight the significance of women's entrepreneurial literacy in strengthening rural economic resilience. Similarly, Rahman et al. (2021) show that MSMEs face both opportunities and challenges in digitalization, requiring targeted interventions. This study contributes to the literature by combining entrepreneurial literacy, cooperative strengthening, and international collaboration in a rural Indonesian context.

Community empowerment and entrepreneurial literacy are important concepts in sustainable socio-economic development. Bandura (1986) in *Social Foundations of Thought and Action* explains that social learning occurs through interaction and observation in a social environment, so that community capacity building can be achieved by collectively strengthening literacy and entrepreneurial skills. This is in line with the participatory approach proposed by Chambers (1994, p. 1255), which emphasizes the importance of active community involvement in the process of identifying problems and finding solutions through the Participatory Rural Appraisal method.

Furthermore, Chevalier and Buckles (2019) assert that Participatory Action Research is an effective method for empowering communities by involving them directly in research and decision-making, resulting in more relevant and sustainable outcomes. This approach is also supported by Bringle and Hatcher (2002, p. 507), who put forward the concept of campus-community partnerships, namely collaboration between academics and the community that can accelerate knowledge transfer and the application of practical solutions in the field.

In the context of community learning, Wenger (1998) introduced the theory of Communities of Practice, which emphasizes the importance of collaborative learning in groups as a means of building collective identity and capacity. This theory is relevant in the development of community-based entrepreneurial literacy, where community members learn and share experiences to improve their entrepreneurial skills.

Nugroho and Sihotang (2020) highlight the role of women's empowerment through family entrepreneurship as an effective strategy for improving community welfare. This is supported by a report from the Ministry of Cooperatives and SMEs of the Republic of Indonesia (2023), which states that strengthening entrepreneurial literacy, including understanding business management and marketing, is very important for improving the competitiveness of MSMEs at the local level.

3. RESEARCH METHOD

This study uses a Participatory Action Research (PAR) approach that emphasizes active community involvement in every stage of the activity, from problem identification to evaluation of results (Chevalier & Buckles, 2019). The PAR cycle, which includes planning, implementation, observation, and reflection, is carried out iteratively to tailor the program to community needs (Chambers, 1994). The research procedure began with the identification of needs through surveys and Focus Group Discussions (FGD) with the community, academics, and international partners (Bringle & Hatcher, 2002). Based on these results, a training curriculum on entrepreneurship and digital marketing was developed, and the necessary infrastructure was prepared. Training and workshops were conducted in a participatory manner to improve business management capacity and product processing skills. Furthermore, cooperatives were formed and digital platforms were developed to expand market access. Sustainable business assistance as well as program monitoring and evaluation were carried out periodically to ensure sustainability and effectiveness. Data was collected through interviews, observations, questionnaires, and activity documentation, then validated through triangulation of methods and group discussions to ensure the credibility of the findings (Creswell & Plano Clark, 2018; Leavy, 2017).

4. RESULTS AND ANALYSIS

Improving Entrepreneurial Literacy in the Community

The implementation of entrepreneurial literacy training in Denai Sarang Burung Village has succeeded in improving the community's understanding, especially among women MSME entrepreneurs, of the basic concepts of entrepreneurship, business management, and digital marketing. Data from questionnaires and observations showed a significant increase in participants' ability to manage businesses, from business planning to financial management. This is in line with Bandura's (1986) theory, which states that social learning through interaction and direct practice can increase the self-efficacy of individuals and communities.

Training participants also showed increased awareness of the importance of product innovation and local resource management, such as processing household waste into value-added products (eco enzymes, liquid soap, bokashi fertilizer). This approach not only improved technical skills but also changed the community's paradigm in viewing the economic potential of their surroundings.



Figure 4.1 Education and Practice of Eco Enzyme Production

The Role of Communities in Economic Empowerment

The results of a survey of business actors indicate that entrepreneurial communities play an important role as a source of social and economic support. A total of 52% of respondents expressed optimism about the future of their businesses and believed that communities could help each other in overcoming business challenges. This data reinforces the concept of Communities of Practice (Wenger, 1998), which emphasizes collective learning and solidarity as the foundation of empowerment.

The formation of Joint Business Groups (KUB) and the development of digital marketing platforms strengthen inclusive socio-economic networks. The community is not only a place to share experiences, but also a forum for collaboration in marketing and product development. This supports the theory of social capital, which states that strong social networks can increase the economic capacity of communities.

International Collaboration and Sustainable Mentoring

Collaboration with international partners from Universiti Sains Malaysia has contributed significantly to the transfer of knowledge and digital marketing strategies. Sustainable mentoring involving students and lecturers from both institutions ensures that improvements in entrepreneurial literacy can be implemented consistently and sustainably.

Innovative programs such as the establishment of “TikTok and Facebook Ambassadors” from local women entrepreneurs have successfully increased market reach and product branding. This shows that cross-border collaboration can strengthen local capacity and open up wider market opportunities.



Figure 4.2 Collaboration with International Partners KANITA USM

Implications and Challenges

Overall, entrepreneurial literacy plays an important role in community empowerment and increasing local economic potential. However, challenges such as limited access to technology, the dual roles of women, and the need for ongoing assistance still need to be addressed. Regular monitoring and evaluation are key to ensuring the sustainability and effectiveness of the program.

5. CONCLUSION

This study shows that entrepreneurial literacy plays an important role in empowering communities in Denai Sarang Burung Village, particularly in increasing the capacity and competitiveness of women MSME actors. Through digitalization training, strengthening market access, and collaboration with international partners, business actors gain relevant knowledge and skills to manage their businesses independently and adapt to technological developments. The establishment of institutions such as the Merah Putih Cooperative strengthens coordination and collective marketing, thereby supporting business sustainability. The challenges of women's dual roles as homemakers and entrepreneurs have begun to be identified and are becoming the focus of sustainable solutions. Overall, this program provides a strong foundation for inclusive and sustainable community-based local economic development.

Future research should expand to multiple rural contexts and integrate longitudinal studies to assess long-term impacts. Practically, the findings provide insights for policymakers, village governments, and NGOs to replicate this empowerment model to promote inclusive and sustainable local economic development.

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