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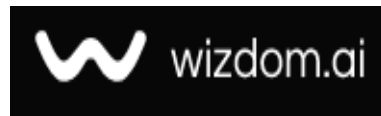
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Environmental Management and Creative Economy through Technology-Based MSME Enterprises

Pengelolaan Lingkungan dan Ekonomi Kreatif melalui Usaha MSME Berbasis Teknologi

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Abstract

This scientific article presents the outcomes of a community service initiative in Sumbergedang Village, Pandaan District, Pasuruan Regency, aimed at instilling a culture of environmental care and nurturing the creative economy. The study implemented various work programs, including the development of Information Technology-Based Micro, Small, and Medium Enterprises (MSMEs). Employing a mixed-methods approach, the research demonstrated significant improvements in people's motivation to create a cleaner and more comfortable environment while bolstering the growth of the community's creative economy. The implications of this study highlight the potential for similar interventions to drive positive environmental and economic changes in rural communities worldwide.

Highlights:

- Development of Information Technology-Based MSMEs: The study focuses on leveraging modern technologies to support the growth of Micro, Small, and Medium Enterprises (MSMEs) in the community.
- Environmental Stewardship: The initiative aims to instill a sense of responsibility and care for the environment among the residents of Sumbergedang Village.
- Nurturing Creative Entrepreneurship: The project fosters an environment that encourages innovation and creativity, leading to the development of the community's creative economy.

Keywords: Environment, Creative Economy, MSME, Information Technology, Community Service

INTRODUCTION

The existence of MSMEs can absorb a workforce of around 85 million to 107 million by the end of 2020. Statistical data shows that the number of entrepreneurs in Indonesia is 56,539,560 units. The number of entrepreneurs is 99% or 56,534,592 Small and Medium Enterprises (MSMEs), while the rest are large-scale businesses, around 0.01% or 4,968. The phenomenon above implies that MSMEs are a productive business, and Indonesia's government supports economic development. This government support is enough to influence other sectors to develop as well. The service sector is one sector that is immensely affected by the growth of MSMEs. Almost 30% of businesses from MSMEs use operating capital from the banking world. MSMEs in Indonesia have a critical role, especially in efforts to create employment opportunities for many people [1]. MSMEs are part of the country's economy that can increase competitiveness and create various innovations. The advantages of MSMEs that have competitiveness and high innovation can be prioritized because MSMEs have durability and have a very long and unlimited time. The development of MSMEs currently needs to be more optimal for improving the businesses of MSMEs. The current economic development, especially during the Covid-19 pandemic, has decreased competitiveness, especially among MSMEs, so they are left behind by neighboring countries such as Malaysia and China. The decline in competitiveness is not due to policies for small MSMEs but their low productivity. Optimal policies will have a broad impact on improving the welfare of MSMEs. One of the government's strategies to increase economic growth is to make policies for small business development [2]. Strategic efforts to secure small businesses / MSMEs from various threats and challenges of the global economic crisis are through strengthening the economy with multiple aspects [1], [3], [4]. One of these aspects is the aspect of entrepreneurship. The role of entrepreneurship in overcoming the various challenges faced by MSMEs is to have a creative mind, dare to take risks and have a high spirit of innovation, and be able to adjust to various risks that may occur and utilize them in one business. In addition to playing a role in economic growth and development, MSMEs significantly contribute to overcoming unemployment problems [5].

Small business development carried out by the government currently faces various obstacles. These constraints include the ability of the business actors themselves, the expertise and skills of the business actors, entrepreneurship, the management of human resources, finance, and the marketing process of business results. Some of the fundamental problems faced by small entrepreneurs include difficulties in utilizing various opportunities that occur in the market share and enlarging the market share to its production [6]. Second are difficulties in business capital for MSMEs and the unwillingness to obtain various sources of MSMEs. Third, the organizational structure and management of human resources could be more optimal. Fourth, business networks for cooperation still need to be expanded beyond those between small entrepreneurs. Fifth, a less conducive business climate is caused by mutually deadly market competition. Sixth, the lack of unified guidance provided by the government has resulted in a lack of public trust and concern for MSMEs. The current Covid-19 pandemic has resulted in the growth and existence of MSMEs being hampered. This results in a decrease in income from MSME actors. The target contribution of MSMEs to the economy from 2020 to 2024 before the Covid-19 pandemic, namely for the contribution to exports from the 2020 target, is 18%. While in 2024, the contribution of MSMEs is targeted to reach 30.2%. Then the contribution to national GDP in 2020 is targeted at 61%, and in 2024 is targeted to reach 65%.

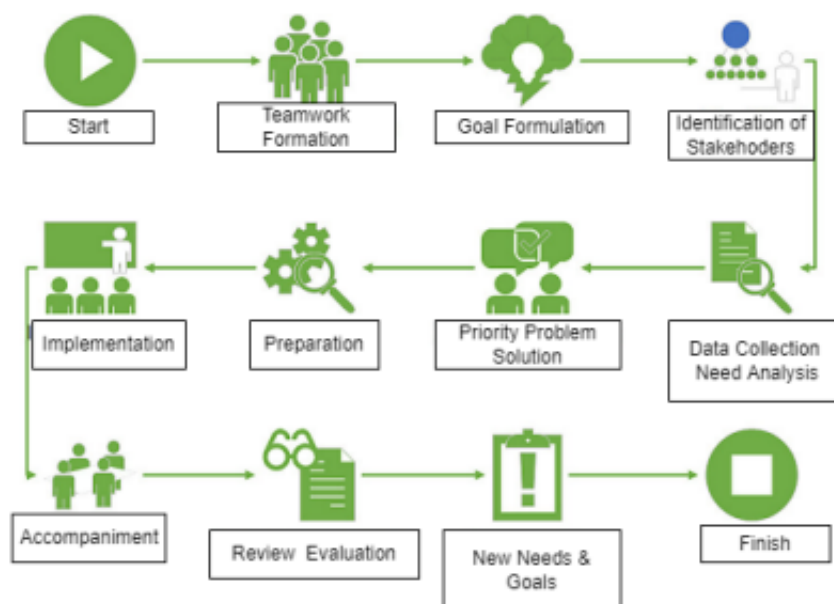
Meanwhile, the entrepreneurship ratio in 2020 is targeted at 3.55%, and the 2024 target is 4%. This economic climate can cause slow economic growth. Local economic development carried out by the government is still focused on utilizing natural resources but needs to optimize its human resources. Some of the obstacles small and local economic actors face are difficulties in accessing capital, technology, and infrastructure utilization, markets, and minimal innovation [7], [8]. This economic climate can cause the slow development of MSMEs, especially in the regions, so they need to be maximally developed. MSME players still need assistance in order to survive during the Covid-19 pandemic. Although most of these businesses are side businesses, MSME players must still develop their businesses [9]. The high level of business activities carried out by business actors has not been accompanied by an understanding of the supporting factors in carrying out business activities such as simple bookkeeping, so business actors only focus on profits without paying attention to business supporting factors [10]. The MSME assistance system is a natural solution to overcome problems in each region.

Sumbergedang Village is one of the villages in Pandaan District, Pasuruan Regency, East Java Province. One of the themes taken by the Sumbergedang Village community service program is managing the potential that exists in Sumbergedang Village which will be developed for tourism and technology-based Micro, Small and Medium Enterprises. Information, each village must have advantages so that each village has the potential to develop its characteristics. This activity is in the form of a program of applying science and technology, community empowerment, handling problems that exist in the community. One of the villages that became the goal of the community service activity program was Sumbergedang Village. Based on the observation of the community service activity team, the conditions of MSMEs still require a lot of guidance and assistance regarding sales and marketing strategies. One of the community service activities is the existence of MSME assistance activities in Sumbergedang village to improve the community's economy, this community service team helps promote, namely by making e-catalogs. The creativity of village communities is needed to develop the village economy, this community service activity carried out in Sumbergedang Village aims to develop the potential of MSME products and marketing based on communication technology. Economic development applies a digital marketing strategy by developing e-catalogs by marketing MSME products throughout Indonesia. The community service activity work program carries the

theme of developing the potential of communication technology-based MSME products and marketing in Sumber Gedang village. This assistance activity can increase the market share of MSME products and improve the regional economy. In addition, the role of MSMEs can also improve the Indonesian economy by making it the largest business actor which has proven to be quite instrumental in contributing to economic growth and employment [11]–[14]. This community service program can improve the standard of living of the Sumbergedang village community both economically and socially.

METHOD

The Sumbergedang Village community service activity program involved 22 students and supervisors. Implementation of community service activities through several stages with field research methods. The first step is to determine teamwork for community service activities and have activity goals. The aim is to increase the tourism potential and communication technology-based MSMEs in Sumbergedang Village, Pandaan, and then identify stakeholders, namely by discussing with Sumbergedang village officials, field surveys at the Sumbergedang Village hall and its surroundings as a place to carry out activities. Next is to identify the problem that is carried out as a first step in formulating system design material and material for this community service activity, discussion forum which aims to collect data in analyzing the situation and needs as well as seeking information regarding the constraints that exist in the implementation of this activity. Problems related to a clean and quiet environment are the first problems that need to be resolved because the environmental conditions around the village are not good, many MSMEs experience problems in marketing their MSME products that require a marketing strategy, namely using e-catalogs to be more effective in marketing MSMEs, implementation time all activities, namely one month from January to February 2023. In each work program of community service activities, after carrying out activities and mentoring, it is necessary to review the results of activities and evaluate them from the internal team, accompanying lecturers and input from village officials.



Gambar 1. Tahap Pengabdian Kepada Masyarakat

Figure 1. Community service stages

RESULT AND DISCUSSION

Specifications The participants who were assisted were MSME Facilitators from the Community Service Team of the Muhammadiyah University of Sidoarjo and MSME players from Sumbergedang village. In carrying out this PKM activity, there are various obstacles, including the geographical conditions of the assisted area resulting in difficult internet signals and the ups and downs of MSME business turnover. The results achieved in implementing this community service activity are a well-organized mentoring work schedule. The community service team has also prepared Results and Progress Before and After Post-Training Assistance, followed by Indicators of Success and the documentation process of MSME products. In the implementation of Community Service, problems were identified by the facilitators while in the field. After identifying the problems, the targets to be achieved in mentoring in each

assisted area vary depending on the needs of each assisted area and the willingness of the SMEs to carry out directions so that they can compete with similar competitors and even substitute products that have the same function/use. The work plan includes business planning, sources of financing, preparing business proposals, preparing umm financial statements, partnerships/product marketing, institutions, organizational management, and improvement and development of product quality. The mentoring task schedule is carried out every day from 08.00 until 17.00 WIB by first communicating by telephone and making an appointment for mentoring meetings. Timeline and Logbook during the mentoring process have been made following the regulations.

The initial stage of preparation for community service is data collection through interviews and observation. Collecting data to see the existing conditions through interviews with village officials, villagers, MSME actors and observations in the Sumbergedang village area. The team obtained data as follows: (a) village profile (b) problems that exist in each target community (c) village potential (d) obstacles from solving problems that were previously unclear, the community and MSME actors in Sumbergedang Village have insight and expertise environmental sector, product marketing. Some people have these skills but not all. The community service team proposed several alternative solutions based on community problems in Sumbergedang village so that the potential for tourism and MSMEs was better than before. This community service activity involves the community in Sumbergedang Village in economic and social programs that are going well with appreciation and community participation in community service activities in increasing tourism potential and MSMEs. Figure 2 shows the MSME community service activities, this economic activity starts from the conditions of the people in the village. many MSME actors such as dolls, snacks, herbs, shoes and sandals only produce and then sell without using the production name. This MSME activity aims to make the people of Sumbergedang Village, who are MSME actors, the names of their products widely known by the public and also to expand their market share. With an increasingly broad market, it is possible to make significant progress or progress in these MSMEs.



Figure 2. *MSME activities programs*



Figure 3. MSME activities programs



Figure 4. MSME activities programs

Objective	Activity	Results
Creative Economy Development	Conduct socialization with MSME actors in Sumbergedang village. Explore various MSME products in Sumbergedang village. Developing the marketing of MSME products in Sumbergedang village through e-catalogs.	Implementing marketing strategies through e-catalogs to expand its market share.

Table 1. Reflection on community service work programs

In implementing marketing strategies, sellers still rely on traditional systems, either selling independently or through other sellers, and this makes the market coverage still very limited (table 1). Therefore, in this case, the community service activity team tried to maximize the role of social media and marketplaces in addition to word-of-mouth strategies. The reason for utilizing social media is because the potential of social media is immense [15]. After all, social media and marketplaces are loved by all groups ranging from children to adults. Using social media (Line, WhatsApp, BBM, Facebook, Twitter, Instagram, and Blog) can also open a broader market to further open opportunities for this product to compete with other products [11]. The team is also trying to contact some of their closest colleagues to ask for help disseminating information through social media so that the promotion spreads further.

CONCLUSION

The implementation of the community service activity program in Sumbergedang Village, Pandaan District, Pasuruan Regency which was carried out on January-February, 2023 has gone well. There is development in the MSME sector which is carried out by marketing MSME products in Sumbergedang village through e-catalogs and holding outreach to the community involved in MSME. The existence of a community service activity program that

has been implemented has provided a lot of experience on how to accompany and mingle with people in a new environment from various sources related to community service activity programs.

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