

A micro business as an economic development tool – a case study of tahu iwul

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Abstract. This study was aim to rise the marketplace from Tahu Iwul as a local product to improve the regional economy. This research was dedicated on understanding the micro business owner, their input to the local economy in terms of jobs, profit, and their ability to bring outside rupiah into a local economy. As the major economic engine in numerous areas, especially in rural areas, the success of a micro business is important to a local society's development and progress. The research also appraised the support needs of the micro business owner through start up and ongoing operation. Most often, the business owners stated a need for assistance with marketing and financing. The researchers also investigated what agencies these micro business owners have turned to for help. A micro business, definite as having ten employees or less, represent a considerable sub-segment of all small businesses. As such, they are qualified as a significant giver to economic growth of community. A key element in development of a well community rests on the strength and multiplicity of its local economy. Finally, local economy is able to provide a community with consistently growing economy.

1. Introduction

The main goal of developing countries is economic development or economic growth. The second term is not the same. Growth are essential but not adequate for development [7]. Related to an economic increase in a country's production or per capita income. Regular production with gross national product (GNP) or gross national income (GNI), used interchangeably, total output of goods and economic services.

The objective of development is to expand and sustain the happiness of these living in emerging countries. It is not impartial to rise GDP or Gross Domestic Product, sustainable rise in living standards need that resources – containing all aspects of the environment be accomplished well. Resources reduction and environmental squalor are potential fears to sustained economic development. [7]. Too often, those entrusted with determining economic policy have put too tiny attention on the concerns of the policies for natural resources and the environment, and enthusiastic even minus attention to determining policies that strength actually improve the worth of the environment and resource management.

Over the last two decades, general literature on the reputation of micro businesses in the economy has constantly shown that the design of new businesses drives economic wealth as well as playing a decisive role in increasing the rivalry of emerging sectors, new micro businesses are serious for economic growth and innovative capacity in many regions. Job conception, economic growth and deficiency reduction are frequently the main political awareness in entrepreneurship.

The achievement of micro businesses is very important for the development and progress of local communities. This relates to micro as the main economic engine in some areas, especially in rural areas.



Tahu Iwul is one type of tofu that several different uniqueness to tofu in general and produced in Kampung Iwul Desa Bojong Sempu Parung Bogor. Apart from the good taste, Tahu iwul printed using a technique that is still traditional, that is by using cloth (not using mold), and steamed especially to make it more durable even without using reservatives. Lately this type of tofu is very popular and is starting to be taken into account in the micro economy.

Tahu iwul reputation was well known by the people of Bogor, Depok, Jakarta, Tangerang, and Bekasi. Tahu iwul is known as organic tofu, the tahu iwul production continues to increase competition of small and medium scale home industries in the food sector. This increase is an opportunity for home industries or entrepreneur to know tahu iwul to develop themselves into a profitable, sustainable economic development, and become one of the backbones to support the economic growth of the community. It is also supported by the trading system in the era of free market today to be more able to demand the quality and naturalness of food products.

Currently the plan to carry out economic development in the community is carried out by means of goals, objectives and strategies [9,18,20]. To support the development of a "triple wave" economy supporting business development through support, leadership and information [5]. Policies to increase the success and diversification of bargains needed for a strong economy [13,23,24].

Typically, the current economic development plan of the community provides for enlargement and retention of businesses that still exist or assets that are still maintained by the community [21,26]. In addition, usually that economic development plan will contain "personal development" or business contribution [23]. Conceptions value entrepreneurship and entrepreneurial construction of community human wealth [2,11,12,17]. Finally, the plan's determination to maintain the business to attract new business.

Community development complete "entails the enhancement of social and material well-being as measured in movement of money and goods and chattels over time increases in a authority's as measured in the movement of money and goods and chattels over time; increases in a authority's value of public goods (freedom from crime, water and clean air, better schools, etc.) and admittance to good jobs" [27]. And also states community development as a "process of structure the capability of community citizens to create, sustain, and augment generalized structures [16]. Development also contains such activities such as resident involvement, leadership, infrastructure, and sustainability.

Community development is synonymous with economic development or increasing the movement of goods, jobs & money. Nevertheless, community development is for many people and they will discuss it as expanding economic development in society. Nowadays, this might be interesting and embrace recruitment not only from the "smokestack" industry but also small and large diversity, products and services, low-tech and high-tech businesses. This varies from economic development, which was previously compiled in agreement with the recruitment of large manufacturing companies to a region [22, 25].

Plans for achievements, expansion and retention for new business purposes it must be done through the development of strong infrastructure, financing packages, some tax breaks and incentives, and what is also important is business-friendly regulations and laws. For innovative business conceptions through entrepreneurship, an entrepreneurial environment through taxes, regulations and education systems, coordination and care is needed. In addition, the conception of risk capital with mortgage and incubator criteria reduces where space, management assistance, and support services can be accessed at no cost or small. For existing businesses, again Infrastructure improvement, Tax and financing benefits, and supporting laws and regulations are also very important as well as the conception of developing education systems and support one-on-one. Finally, to create entrepreneurs, long-term assistance and assistance that is contrary to the one-time educational agenda that is very important [16].

Three of the four main economic development activities are small businesses undertaken are retention, development and expansion, which are often the target audience [6].

But for most individuals this definition of "small" goes far beyond their individual views where businesses with 50 to 100 workers are measured as "big" businesses. The definition occupied is especially true in rural areas. A general explanation for "small" types is to arrange them into many

subcategories. One such category is "micro" businesses or companies that employ less than ten people. In Indonesia business scale determination is regulated under the law no. 20 of 2008 on micro and small establishment, micro establishment usually with annual revenue up to 300 millions rupiah and the employee 1 – 4 workers [6].

How is the contribution of small businesses? the most important thing, they give the owner the talent to build assets and generate wealth [16]. Employees size in an establishment is main factor that indicates size of that business or establishment. Most establishments (94,23 percent) employed in Jawa Barat only less than 5 employees. Meanwhile, establishment with 100 or more workers were only 0.11 percent. It means most of the establishments in Jawa Barat were small scale establishment.

One of the establishment listing purposes was to provide a real establishment or business picture that could be classified into Micro and Small Establishment (MSE) and Medium and Large Establishment (MLE). Business or establishment classification into MSE or MLE was developed by considering the Indonesia Standard Classification of Business (KBLI), business entity, workers number, and other indicators including the threshold stated in the Law No. 20 Year 2008 on micro, small, medium, and large establishments. The law states that establishment is considered as MLE if the revenue is more than 2.5 billion rupiah. MSE dominated the number of establishment counted for 98.49 percent. Meanwhile, MLE counted for 69.8 thousand establishments. According to the industrial categories, both MSE and MLE are concentrated in Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles [8].

The second impact that micro businesses have on the local economic approach is employment. [10]

Third, a micro business owner will usually take a leadership role if he is continuously involved in rural activities [11,15]. Micro businesses have been debated, because they are repeatedly controlled and operated by local owners, more often and more sincerely involved in rural activities. A micro business owner becomes an agreement that is more than just a provider of goods and services and is done without consideration in order to build a business or from a committed perspective. [25]

Workers size in an establishment is main factor that indicates size of that business or establishment. Most establishments (94,23 percent) employed in Jawa Barat only less than 5 employees. Meanwhile, establishment with 100 or more workers were only 0.11 percent. It means most of the establishments in Jawa Barat were small scale establishment had a number of establishments more than 5 percent namely Bogor , Bandung , Bandung Municipality, Sukabumi , Garut , Cirebon , Cianjur , and Karawang. Bogor Regency had the highest contribution in this province (375,048 establishments). Meanwhile, Banjar Municipality was the least number of economic activities [8].

In terms of workers, the distribution was still the largest in Bogor Regency. In this regency, the portion of the establishment about 8 percent, but could absorb the workforce about 9 percent. In the next position, Bandung Municipality occupied the second position with a portion of nearly 9 percent. The interesting thing in the distribution of non-agricultural worker is the entry of Bekasi Municipality as the region with the fifth employment portion. The contribution of non-agricultural employment in Bekasi Municipality is 5.27 percent, while the contribution of establishments is only 4.38 percent [8].

The purpose of this research is to observe the area of microeconomic business and community. This study is also dedicated to better understanding micro business owners, the impact they have on the local economy in terms of profits, employment, and the ability to bring the rupiah into the local economy. The success of micro businesses is important for the development and progress of local communities, as the main economic engine in many areas, especially in rural areas. This study evaluates the support needs of micro business owners during initial and ongoing operations.

2. Methods

A case study is a problematic to be studied, which will expose an in-depth accepting of a case or restricted system, which includes understanding an activity, event, process, or one or more individuals.

Dissimilar researchers have different purposes for studying cases. To retain such differences in awareness, I find it beneficial to recognise three types of study. In what we might call inherent case study, study is assumed because one wants enhanced understanding or its certain case. This is not

assumed primarily because the case signifies another case or shows certain nature or problem, but because, in all specificities and usually, the case itself is of concern. The researcher briefly subordinates other interests so that case may disclose its story [19].

This study leads to intrinsic case studies because in this study more will reveal some intrinsic interests or interests in one location, tahu iwul industry. The researcher wants to examine the basic and interesting things in a case, in this case improving the economy through the tahu iwul industry which has traditional techniques in the production process. There are several interests that will be discussed in this study:

1. What is the influence to the native economy in terms of profit, jobs and their aptitude to bring outside rupiah into a local economy?
2. What do micro-business awards for enhancing and enhancing local communities?
3. How do you estimate the support needs of a micro owner while starting and operating?

Finally, This research will explore more deeply related to the problems that exist in one place. And the problem is interrelated because each other supports in one research place.

3. Result and Discussion

3.1 Interview Results

After researchers do some interviews to the respondent, the results is:

Iman said that operating profit knew that he was involved in an average of less than 50% of the total overhead costs incurred. The profit is played back for raw material needs and daily needs. Absorption of labor is still not optimal, because this relatively small type of business still empowers family members (husband and wife) as workers. There is no clear job description and a clear formula for this type of business. Bapak Azis said that he worked and carried out all business activities assisted by his wife. The same thing was said by Bapak Iman who stated that he took turns in assigning his wife to run a business.

The ability to bring outside rupiah in the local economy is still centered on meeting household needs. The object of the research was found in desa Iwul, only eight micro business owner knew that Iwul was still working on all orders. The average micro business owner is only able to do orders in the range of ten to fifteen kilograms. Moreover, they need additional manpower and qualified production equipment. There has not been a significant increase due to knowing that Iwul is always faced with less risk when the dry season arrives, not basic necessities and cannot last long.

The self-employment system clearly reveals that no community or container has been found to accommodate the activities or products of all the tofu producers. The tofu artisans still carry out all their own production and distribution activities, manage their own profits and carry out their own risks. While there has been no action from the local government or financial institutions to pay attention and help to develop tahu Iwul business center which has distinctive features and several advantages that are rarely found in other types of tofu. The micro business owner introduce their products based on the connection with the type of culinary business, word of mouth promotion, and do not know about promotion through social media because of the limited resources available.

The technique of making tofu in the traditional way has made it difficult to achieve large profits, because the maximum net profit for ten kilos of tahu is only in the range of seventy five thousand rupiah every day. Moreover, the micro business owner must cooperate if there is a request to know more than fifteen kilos per day. Often issues of capital circulation are faced with uncertainty which requires micro business owner to have their own strategies in carrying out business operations. Bapak Iman said that so far there had been no capital difficulties because they always had financial reserves if they knew they were experiencing losses, and the sales losses knew, there was always money to be played back, even on a smaller scale.

3.2 Discussion

A Micro business are a significant of any state's economy and in specific a rural state such as Kampung Iwul. Furthermore, the business focus may be to cause a small amount of money to meet the needs or goals of the family or used to start and/or maintain another business. Whatever the reason, potential success of these owners has significant implications for local economic diversification and future community development.

3.2.1 Requested Help

Marketing. One support requirement that is often determined is marketing assistance, for micro business owners for important needs. detailed marketing programs Needed for business owners to get their products or services in front of consumers. Other owners try to use their talents in creative ways to determine whether they are, built from their desires, prospects, or needs. The owner is looking for outlets for products and / or services. Assistance provided can help marketing groups and joint sales opportunities or be given a sales representative to represent a suggested product group or from a particular region.

One part of marketing that must be stimulated is the enlargement of the geographical marketing perspective of the owner. Although positive, some populations have the potential to limit this business because the market quickly gets wet without the push for sustainable new products. Corporations that do business locally are also more vulnerable to local slowdown, have smaller and fewer growth opportunities, so the rupiah they produce is not new money but instead mimics the recycling of current market resources.

However, the owner is most interested in increasing the space where the general sale has been made and therefore it will be difficult to change the owner's opinion about his prospective market. Although positively more difficult growth is not impossible without an expansion of the market base. A business can bring fresh rupiah into the local economy with growth without expanding its market base, local situation will be affected by such a business. The lack of facts about how to approach marketing in an unknown area is one of the reasons why owners cannot reflect new markets. Heading into new markets can involve owners to increase new outlets, return policies, shipping, etc. Furthermore, the previous owner might sell everything they produce. Therefore, production extensions may be important before additional marketing is needed.

One solution that can be done to meet new markets can be through e-commerce. But one of the problems in making e-commerce is creating business awareness and also its website so that e-commerce becomes an effective outlet for services and products. A focused marketing platform is needed to do this. In addition, guaranteed products, for example some food products or services, may not provide enough distance from the business headquarters.

Financial, the second part is financial assistance from assistance requested through business owners. This might work to find funding now but might look for a grant program or maybe a loan. This need is also involved by helping to record the storage and analysis of financial data that they have collected. Correspondingly, price, while also a marketing problem. Where the business owner cannot determine what price must be billed to get a certain level of profit.



Figure 1. Finished good of tahu iwul



Figure 2. The production process of tahu iwul



Figure 3. The production process of tahu iwul

3.2.2 Local Community Support Ideas

Often government policy is seen as a key element in developing effective communities. Although government policies are clearly important, for micro business owners support and local policies will certainly provide the greatest assistance. At present, the role of entrepreneurship and the encouragement of microbusinesses are important strategies in local planning. "What policies at the local level can make a difference?" The work of several recent authors offers a potential policy. For example, entrepreneurship-centered efforts offer long-term expectations. Some business innovation policies to enhance collaboration include business networking, information sharing, and support among young entrepreneurs. Building business networks to provide capital for its members, and policies are often local in their implementation. Many sources of assistance are often available but unknown to micro businesses and entrepreneurs. Local community developers can build networks to make information sources easily accessible.

The smallness of the community certainly has challenges for additional development that is not experienced by urban areas. Limited population and the absence of critical mass which limits choices for suppliers and input markets. challenges faced when developing the entrepreneurial area. That there are four skills needed by successful entrepreneurs as follows; managerial, entrepreneurial, personal and technical. Local policy efforts are providing support to improve these skills [14]. Regional coalitions through partners are very reasonable. Lyons suggested regional efforts that could be done were to include "players" from the public, non profit sectors and private ensure that the regional coalition could contribute on behalf of everyone.

There are important differences between entrepreneur and entrepreneurship. The difference revolves around innovative business concepts or ideas. Employers try to develop new things whereas people who work alone usually sell labor to do a series of certain routine tasks [16]. Entrepreneurial barriers that have arisen include markets and lack of industry, financial capital, lack of education and training, lack of transportation, lack of information and community resistance facing business development. To increase the potential for entrepreneurial growth, it is necessary to overcome obstacles to local policies. In overcoming community resistance it is recommended the use of various media to raise public awareness and influence local attitudes.

The opinions of several writers, learning, improving, connecting, and leadership are the foundation of the local economy, and therefore the community, building development [1,4]. Educational programs can carried out in development efforts, these efforts must be carried out continuously and carried out

mentoring, alliances, and entrepreneurial groups whose businesses are similar [2,3]. The key to developing this relationship are institutions such as the Center for Small Business Development, Cooperative Counseling Services, Service Corporation from Executive Retirees, as well as vocational and technology programs are carried out through mentoring and support for the efforts made. A micro business owners need to be assisted by having business advisors. Its recommendations can also include local networks. When these elements are lost, the micro business segment will lose momentum.

All this happened because of leadership at the local level. There must be responsibility for achieving the results to be achieved by uniting the players and building the necessary support network. While state officials and consultants can provide some tools for the process so that in the local area the development process can run effectively. Small things like guiding, building networks, local events, encouraging local trade and conducting doing local training which are important examples for the economy, as well as community and development plans.

That support efforts must remain focused and ongoing as the most important thing. Business owners also realize that to succeed in their markets they must continue to change. This fact shows that their needs will continue.

In terms of local economic sustainability it has emphasized that local business is different from the business of large companies. The concept of sustainability is very compatible with micro businesses. But in the end this concept might be a bit of a dilemma. First appearance of a micro business the local market is the target of a micro business. The expansion of the market area implies growth, then nationally, and ultimately throughout the world. If the micro business is more successful, it will compete with micro businesses in other regions.

4 Conclusions

The purpose of the research carried out is to observe the micro-economic business sector of a rural country (Parung Bogor) and to determine (1) What is the influence to the native economy in terms of profit, jobs and their aptitude to bring outside rupiah into a local economy?, (2) What do micro business awards for enhancing and enhancing local communities? And (3) How do you estimate the support needs of a micro owner while starting and operating? The contributions to the local economy in terms of profit, employment and ability bring outside rupiah into the local economy. Tahu Iwul micro business owner in desa Iwul made a profit from the capital turnover resulting from selling homemade tofu to consumers. Unfortunately this capital turnover is still relatively small because the micro business owner are still working on making tofu in the form of a home industry, it can be said that micro business owner shop for raw materials, processing products, market products, and bear all the risks because everything is done independently.

2. The success of micro businesses for the development and progress of local communities Iwul's micro business owner get their expertise from hereditary heritage from previous people. The concept and method of making it is done exactly the same as what was taught by the previous person, so there are still many weaknesses in the field of capital and trained workers. The process takes quite a long time between 5-6 hours of manufacture, and there are still obstacles in the promotional activities of the micro business owner to know that this type of tofu is only enjoyed by certain groups (stall entrepreneurs and fried food sellers), the rest are orders for traditional events (weddings and holidays) are only found at certain times.

3. Evaluated the support needs of micro-business owners during the start and continue operations. In carrying out business activities, micro business owner are faced with several major problems. They are not yet integrated in a good distribution network so that the benefits they get are still very dependent on their customers. They do not have operational standards so that their products do not have consistency in the processing of raw materials. Selling price competition is dealt with by differentiating the types and sizes of the products of each micro business owner.

Based on what the owner wants. Local support is an important key in developing micro business., the local community can provide assistance in the form of:

1. Develop e-commerce education and cooperative marketing programs.

2. Development and understanding of financial statements.

Another ways that local communities will support micro business owners include:

1. Assistance is carried out through communities and supporting coalitions.
2. A mentor who can guide the owner and can find out what support is available to the success process.
3. Developing micro business skills in terms of building technical, managerial and entrepreneurial skills.
4. Provide the infrastructure needed by local businesses.
5. Community support will build local business.
6. Respond to and listen to business owner complaints.

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