Empowerment of Village Cooperative Enterprises For Economic Resilience During The Covid 19

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ABSTRACT

The Covid 19 has changed the routine of the global community, including in Indonesia. This service program aimed to empower and develop the potential of village cooperative members, especially during the Covid 19 pandemic, especially in Kasihan village. This program was carried out in 3 stages, handwashing soap manufacture training, production of products to be marketed, and organizational training. The output of this program is the creation of ready-to-sell products, business and marketing strategies, packaging that meets health standards. The development of village cooperatives for the welfare of cooperative members is also the output of this empowerment program. Partners in this service program are the Kasihan hamlet community who are members of the Harum Manis Cooperative. The choice of this partner was chosen because the problems that the community has in the midst of the Covid 19 pandemic are very urgent to find a solution, and the Harum Manis has just started a business so that business programs are needed to develop. In order to achieve the success of this activity, material delivery, discussion and practical training, business and marketing training had been carried out. The steps were through observation of the service team to partner villages, delivery of organizational materials, workshops and mentoring, and post-program monitoring.

Keywords: Kasihan Hamlet, Village Cooperatives, Covid-19, PKM, UMY


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INTRODUCTION

The impact of the Covid 19 pandemic that hit the world, especially in Indonesia, has changed the lifestyle of many people. Shakil et al. (2020) explained that the current outbreak of Coronavirus (COVID-19) infection has a significant impact on many aspects of life in general. Increasing a clean and healthy lifestyle is an obligation that everyone must do. Habits usually carried out by the community must now be limited to avoid transmission of the disease. As a result, business and trade processes that have been the core of economic development have slowed down, even in Indonesia experiencing a recession due to a slowdown in business turnover. In addition, there have been many layoffs because companies are no longer able to pay their employees' salaries (Yamali & Putri, 2020). To face this unavoidable condition, people must think creatively in carrying out economic activities in order to fulfill their daily needs (Azliyanti et al., 2019). One business idea that can be worked on by the community is to make products or goods that are generally needed by the public during a pandemic, such as making masks, soap, hand sanitizers and other health needs.

For this reason, one of the village community-based cooperatives, the Harum Manis Cooperative, located in Kasiham Tamantirto hamlet, Bantul, is trying to make products that can be widely marketed and are a community need during the Covid 19 pandemic. This hamlet is located in Kasiham District, Tamantirto Village, Regency. Bantul, DIY In terms of its geographical location, this hamlet is quite close to the center of Yogyakarta, Sleman and Bantul, which are the centers of community trade. In addition, with the construction of the Yogyakarta airport in the Kulonprogo Regency, there have been many infrastructure and housing developments in this area (Zakiy et al., 2020). The livelihoods of the people of this hamlet vary widely. Most people in this hamlet work as breeders and farmers, while the women mostly work as housewives. To fill their busy schedule, women have formed a Village Cooperative to support their families by selling cakes and snacks. However, during the pandemic, their business has experienced a decline. For this reason, the women in this hamlet should think about making a product that has a good selling point in this pandemic.

With the teamwork in cooperatives that have been pioneered and the culture of mutual cooperation that is inherent in rural communities, women will try to make a product that will be widely sold in order to increase the income of the cooperative that will have a good impact on its members. Jadmiko (2020) explained that social support could lead to an entrepreneurial spirit for the community. Also, the hamlet has the potential geographical location for a business area because it is one of the accesses to Yogyakarta airport, hence an excellent opportunity to do business/trade. The integration of willingness, cooperation and ability can make competitive advantage in this area. In addition, the potential for people who are accustomed to teamwork makes the business processes carried out have a high success rate. However, to make the products needed during this pandemic, such as the manufacture of handwashing soap, and business strategies for marketing the product need to be studied and developed. The people of Kasiham hamlet, especially women, mostly have small businesses for additional
household income. However, the Covid 19 has made the business decline. This opinion was from the observations of the Muhammadiyah Yogyakarta University (UMY) Community Service Team that women members of the Harum Manis Cooperative experienced production and sales problems during the Covid 19 pandemic. Some people experienced losses and stopped doing business because production costs were not proportional to the income generated. For this reason, this cooperative member held a meeting to find solutions to problems experienced by many of these communities. One solution to overcoming this problem is community empowerment to increase economic independence for the community (Zakiy & Rozikan, 2020).

The idea of the cooperative members can be integrated with the community service program carried out by the UMY Service Team, where the target is expected to improve/empower the community around UMY. In addition, the products made can be marketed for lecturers and students who need this product during the pandemic. It is hoped that the collaboration between the UMY community service team and the poor people can complement each other. The partners provide space and personnel to be trained to make products and run business processes, while the service team facilitates resource persons, materials, tools and maintenance after the empowerment program is carried out. Apart from these two parties, we also involve pharmacists to check the ingredients and pay attention to procedures in accordance with health standards. Community Service Team Meeting with Kasihan Hamlet Authorities to Investigate the Problems and Needs of Villagers could be seen in Figure 1.

Previously, members of the cooperative had made an initiative to invite a trainer to make hand soap for the needs of cooperative members only and not for sale. In order for it to be used as a business opportunity for cooperative members, a sustainable production process is needed so that cooperative members can prosper, especially during the Covid 19 pandemic, which made the cooperative members' businesses decrease in income. This handwashing soap-making program was carried out by cooperative members in collaboration with UMY in order to increase cooperative income and to empower cooperative members during the pandemic. Seeing the promising business opportunities and the availability of resources, the UMY service team was confident that it would run well. Initiation of Making Hand Washing Soap by Members of the Harum Manis Cooperative could be seen in Figure 2.

Another obstacle faced by members of this village cooperative is the absence of venture capital to produce products in a sustainable manner. The minimal income of the head of the family during the pandemic period means that there is no additional money to start or increase capital for making hand soap. As a result, the idea of running a business during a pandemic cannot be realized. For this reason, the capital support from UMY is expected to provide a stimulus for village cooperatives to start a business that has been designed. From the sale of hand sanitizers and handwashing soap, it can be an addition for cooperative members to solve residents' financial problems and can make an alternative in terms of further business capital. From these problems, the purpose of this service program is to provide empowerment and development of the potential of village cooperative members, especially...
during the Covid 19 pandemic which has changed the routines of the Indonesian people, especially in the village of Kasihan.

Figure 1.
Community Service Team Meeting with Kasihan Hamlet Authorities to Investigate the Problems and Needs of Villagers.
Figure 2.
Initiation of Making Hand Washing Soap by Members of the Harum Manis Cooperative.
LITERATURE REVIEW

Since the stipulation of Covid 19 as a global pandemic, many people are not ready to face this condition. Panic broke everywhere, including several countries and cities that carried out lockdowns and Large-Scale Social Restrictions. This pandemic, whose arrival was not predicted, has changed the world’s habits from a social, economic and cultural perspective. Moreover, Indonesia, which is thick with a high collectivist culture with its people accustomed to high social activities, has made this pandemic very much felt by the Indonesian people. The PSBB policy was carried out by the government to suppress the transmission of this virus because the death rate from this virus was quite high in Indonesia, reaching 8.9% at the end of March 2020 (Setiati & Azwar, 2020). The phenomenon increased the level of anxiety of the Indonesian people because they are not used to this condition (Ardan et al., 2020). Apart from having an impact on health, a very influential condition is the economic condition of the Indonesian people. In overcoming this, community empowerment programs are needed to get used to living in the midst of a pandemic called the new normal.

Community empowerment aims to make community groups more efficient to improve people's lives in terms of social, economic and cultural aspects. The concept of empowerment is a solution in overcoming various problems in society, especially in Indonesia, where most people live below the poverty line (Zakiy & Rozikan, 2020). It is visible especially in rural communities whose conditions of employment are very limited so that the unemployment rate can increase. Data from BPS (2020) noted that unemployment in 2020 is 7.07%, increasing by 1.84% from 2019 due to the Covid 19 pandemic. One of the efforts to reduce unemployment is by empowering the community (Jadmiko et al., 2019). Empowerment is carried out not to provide money or goods but instead emphasize the community's potential so that they can carry out activities independently that may benefit themselves and their surroundings.

Hasan & Azis (2018) described several types of community empowerment that can be done to improve people's lives. First, creating an atmosphere or climate that allows the community's potential to develop. Here the starting point is the recognition that every human being, every society, has the potential that can be developed. This means that no society is utterly helpless because if it did, it would be extinct. Second, 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. Third, 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 because it will dwarf the small and neglect the weak.
MATERIAL AND METHOD

Problem

1. Production Aspects

From the production aspect, the Partners had not had standards to meet the health and hygiene requirements. Due to the resulting products are classified as hygiene and health products for humans, health standards are necessary for these products. In addition, product packaging needs to be standardized so that products are suited to the wider market.

2. Business Management Aspects

The absence of good business management and financial management such as business financial reports, as well as poor business management governance, may hinder the whole business. Also, there is no brand and promotional media that can determine the unique characteristics of these products.

Suggested Solutions for the above Issues

1. Production Issues

Partners were assisted and trained on how to make presentable product packaging and product promotion both through in-store displays and online. In addition, partners were facilitated and assisted in registering business licenses.

2. Business Management Issues

To help partners in managing the business, the service team facilitated and provided training in business organization and management as well as financial management so that they can manage their finances well and independently.

Participation of Partners in Program Implementation

This program is carried out through a number of stages and is carried out in the form of collaboration between the Community Service Team, several UMY students, resource persons from the health department and Harum Manis Cooperative partners. First, the UMY Community Service Team made preliminary observations through meetings with community partners to explore the problems and needs of Partners. After that, the service team made proposals for community service based on discussions with partners in order to resolve the problems that were being faced. After the program proposal is approved, the Community Service Team will rearrange the schedules for mentoring activities, training, socialization, evaluation of the implementation of activities and so on. After that, the proposing team and partners carried out the planned activities. In this stage, the form of partner participation is by providing the place for mentoring and training, as well as time to attend all mentoring and training agendas. Hopefully, by the end of the programs, partners have studied the business processes, product
manufacturing processes, and the sales strategy comprehensively. The Flow of Village Cooperative Empowerment Program could be seen in Figure 3.

**Figure 3.**
The Flow of Village Cooperative Empowerment Program
Evaluation of Programs Implementation and Sustainability

Evaluation of the implementation of this program will be carried out every time it completes an empowerment activity carried out by the Community Service Team through a discussion about the implementation of activities to find out how effective the program implementation is in helping Partners. All results of discussion and implementation of activities such as constraints and ways of material and time efficiency are recorded in a logbook every day. When the implementation of the service program ends, a final evaluation will be carried out by the Community Service Team assisted by students as a form of internal evaluation of the implementation of the service that has been carried out. Meanwhile, the external evaluation will be carried out by the internal and external assessment teams of the Muhammadiyah University of Yogyakarta so that inputs for business improvement and the progress of cooperatives can be implemented. As a form of continuing this program in the future, the Community Service Team will maintain a cooperative relationship with Partners for the next several periods to see how far the Partners' business has developed after this service program is completed and can establish friendship between UMY and partner villages.

RESULT AND DISCUSSION

Overview and Implementation of Activities

During the Covid-19 pandemic, surely there were many obstacles experienced by the world community and Indonesia, especially in the economic sector (Adella Halim et al., 2020; Mihalopoulos et al., 2020). The global pandemic has changed many habitual processes of society, including people in Kasihan, Tamantirto Hamlet. After deepening the problem by discussing with members of the village cooperative, some problems need to be resolved. Among the urgent problems to be resolved is the business process of cooperative members hampered by production and distribution during the pandemic. For this reason, we decided to create a business alternative that has the potential to have high demand from the community during this pandemic by making hand washing soap, whose demand has increased since the Covid-19 pandemic. After studying the process of making this soap, we conclude that people can independently produce laundry soap. This hand because the ingredients are easily available in the market, and the manufacturing process is relatively easy. In addition, cooperative members who are partners of this service program have a lot of free time to be involved in the training, production and distribution of this product because the majority work as housewives.

After determining the empowerment program and method, we looked for a facilitator who could facilitate the making of this handwashing soap by contacting Mr. Farid Widiyanto as the village UKM coach. This program is expected to provide solutions to economic problems for members of village cooperatives. Given the pandemic's unpredictable time, we hope that this empowerment program can provide sustainable solutions to village cooperative members in maintaining food security during the
Covid 19 pandemic. In line with the research of Widyaningrum et al. (2020), it explained that the Covid 19 pandemic has a powerful impact on household food security in Yogyakarta. For this reason, we carry out this program by dividing several offline meeting sessions by applying health protocols such as using masks, maintaining distance, and activities carried out in the open. In carrying out this program, we divided sessions on preparation for implementation, provision of materials needed, program implementation and program evaluation.

**Preparation of Community Services**

After determining what program to implement to solve this problem, some preparations were made. The preparations were based on the discussions of appropriate empowerment methods, adjusting the schedule between the service team, partners and training facilitators. In addition, we also prepare business processes and marketing materials to provide material on product sales strategies through social media and direct sales to consumers. The community service team also prepared materials for making hand soap by involving Mr. Farid as the training facilitator. After preparing materials, the service team determined a training schedule tailored to all parties involved in this service process.

This program began with an explanation of the community empowerment program during the Covid-19 Pandemic that was carried out by UMY to the surrounding community. On the same occasion, the service team provided material on business plans and business organization training to the participants. In addition, this first meeting also emphasized the commitment of members to participate in this community empowerment program. The first material is the commitment to organize village cooperative members. The delivery of this material discusses the contribution of each member in this program is something important because business must be managed in a sustainable manner, so it requires commitment from every member of the organization (Amoako-Gyampah et al., 2018). Also, the benefits were presented to members, such as increasing income from cooperative members, looking for alternative activities during the pandemic to the sustainability of village cooperatives.

The second material is related to business plans that will be carried out in the short, medium and long term for members of village cooperatives. The dynamics in a business organization require careful planning so that its operations can be carried out in a sustainable manner. In order for the organization to run properly, it is necessary to build the capabilities of each member of the organization in order to adapt to the ever-changing environment (Olszak, 2015). The material includes production management, marketing distribution and simple business financial management. In addition to the presentation of the material, the service team also facilitates discussion of finding solutions to common problems faced so that the training that will be carried out is in accordance with the expectations of partners and is right on target.
Materials Manufacturing
After the preparations were made, the service team compiled and prepared the materials needed for the training process, both in the form of business organization development and marketing materials as well as materials needed for making hand soap. The material was delivered through lectures and discussions with partners discussing organizational structure, cooperative targets in the short, medium and long term. The materials and equipment needed during the training process were provided by a community service team in consultation with Mr. Farid as the training facilitator for making handwashing soap. The partners prepared consumption and provide training venues by abiding by health protocols. In addition, the community service team was also assisted by several students to help during the service process.

Implementation of Community Service Activities
After preparing the tools and materials needed, training was carried out starting with the provision of organizational, marketing and business finance materials followed by training in making hand washing soap. This activity is carried out in turn at one of the houses of the village cooperative members. The practice of delivering material was through a two-way interaction process, so that a lot of feedback from partner members can be used as points as conclusions to be executed when the product finished. The delivery of this material also discussed the marketing distribution channels that will be used to market the product. Direct marketing strategies through door to door or through online such as OLX and social media were available options. Offline sales were carried out for limited circles such as Kasihan hamlet residents, while online sales were aimed at the broader market. Seeing that the demand for hand washing soap during the Covid 19 pandemic was very high, it was not difficult for cooperative members and service teams to sell the products. Hand washing soap manufacture training and symbolic handover of equipment to partners could be seen in Figure 4. and Figure 5.

For handwashing soap manufacture training, it begins with the introduction and measurement of the ingredients needed, including Citric Acid, Sodium Benzoate, Sanisol, Aroma Lemon etc. After introducing and explaining the ingredients to be used, the ingredients are mixed according to the dosage and order in order to obtain maximum results. This training takes 1 hour 30 minutes for a production capacity of 100 bottles with a size of 500ml. After mixing all the required ingredients, the results of the mixing are allowed to stand for about 12 hours, then put in a bottle and then labeled so that they are attractive to be marketed. During the training process, cooperative members were very enthusiastic about participating in this training. Given that the process is relatively easy, partners can do it independently without being accompanied by a facilitator.

For offline product sales, the distributions were through family and neighbors in Kasihan hamlet, while online sales were by social media. Sales for the first production of 100 bottles were pretty good over a
period of 2 weeks at a price of 9,000 IDR/500ml bottle. Hence, the profit from each bottle is 50% of the selling price of 4,500 IDR/bottle. The proceeds from this sale were shared between the cooperative and the members who sold them according to mutual agreement. Given the high demand for hand-washing soap during this pandemic, we are optimistic that sales of this product will increase further.

Figure 4.
Hand Washing Soap Manufacture Training
Figure 5.
Symbolic Handover of Equipment to Partners
Obstacles
During the implementation of this program, several obstacles were found. These obstacles, such as the training, were conducted during the Covid-19 pandemic, which limited the mobility of partners in carrying out production and distribution so that marketing was carried out only in limited circles. This resulted in the next production not being sold to consumers who have bought it because, for household consumption, 500 ml packs were estimated to last in a month. With the long usage period of this hand-washing soap product, a wider range of other consumers was needed to buy the product. Another obstacle was that the materials used have to be purchased in large quantities for a production capacity of 10,000 bottles so that the materials could only be purchased from third parties who set higher prices. The impact of purchasing materials to third parties affects the Cost of Production that affected overall profits. The last obstacle in this service program was the lack of a place for permanent production. Thus, the storage of inventories was in members’ houses and resulting in inaccurate product stock recording. In addition, for marketing purposes, the location of the product should have been included to further convince the prospective consumers.

Follow Up Plans
There are several continuity plans based on the results of the service program to run sustainably:
1. Follow up marketing strategies that have been formulated in the medium and long term by arranging distribution permits so that they can be marketed more widely.
2. Create a simple factory to be able to produce handwashing soap on a large scale because there is a warehouse for storing goods.
3. Make additional products relevant to the core business, such as hand sanitizers, dish soap and laundry soap.
4. Open opportunities for distributors to the general public, such as selling in shops, markets and minimarkets.
5. Cooperate with the cooperative office to make a cooperative business license
6. Hold workshops on cooperative management for members to run village-based multi-business cooperatives.

CONCLUSION AND RECOMMENDATION
Conclusions
The large number of village people whose income declined due to the Covid-19 Pandemic was a severe problem that must be solved immediately. This service program was carried out by looking at business opportunities that can be run by the community in the midst of the Covid-19 pandemic. This program had succeeded in providing an alternative to members of village cooperatives in increasing
family economic income during the current pandemic. Furthermore, this program can run in a sustaina-
ble manner if partners invested their efforts in pursuing this business alternative in order to create di-
versified products to be marketed.

Recommendation
Some of the obstacles faced by Harum Manis cooperatives should be addressed promptly. First, estab-
lish mutually needed cooperation with raw material suppliers so that raw materials can be supplied
with more affordable costs. The advantage for the cooperative is that it can take raw materials in small
but consistent amounts every month, while the supplier benefits from the sale of raw materials and the
certainty of the number of materials purchased because they work with Cooperative. Second, coopera-
tive members should be more serious in pursuing this business alternative, instead of just as a side
business, considering that the pandemic may run longer, or even worse, forever. For the above reason,
the cooperative can build factory units, so that mass production is doable.

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