

# **AN OVERVIEW OF INITIAL ESTABLISHMENT OF KARANG TENGAH TOURISM VILLAGE, IMOIRI, BANTUL THROUGH ROLE OF INDEPENDENT AND SUSTAINABLE TECHNOPRENEURSHIP AND DYNAMIC SUSTAINABLE ENTERPRISE BASED ON SMALL AND MEDIUM ENTERPRISES (SMEs)**

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## **ABSTRACT**

Karang Tengah Village, Imogiri District, Bantul Regency, Special Region of Yogyakarta is a kind of village with a lot of potency in human and natural resources, as well as Small and Medium Enterprises (SMEs) which extremely important to support the establishment of tourism village. However, they have few problems to objectify that purpose, such as (1) the large of the place, intended to be main tourism and supporting zones have not been determined, (2) variety and potency of SMEs were not supported by an adequate product quality, and (3) the producing and marketing process of SMEs were still managed in household scale. In order to accomplish them, innovation aspect has the important role. Several innovations might be conducted through several aspects, like (1) technology of production process, (2) marketing and network, and (3) product design.

The principle of technopreneurship through degree of dynamic sustainable enterprise constitutes an used approach to initiate the formation of tourism village Karang Tengah. It refers to such enterprise's principle, positioning technology as its driving force. In this case, technology plays on encouraging efficiency and innovation of the product. The achieved indicators upon its degree as they can comply several conditions, such as the dynamic sustainability of (1) product, (2) production process, (3) resources, and (4) strategic role.

The result of its initiatives are, (1) it has been determined of Watu Wedok as main tourist's destination, of which would be developed as tourism park completed with supporting buildings; (2) it has been arranged of ecotourism map of SMEs based- desa Karang Tengah; as well as (3) it has been conducted the training and supervision of adaptive technology' utilization and marketing.

**Keywords:** Karang Tengah Village, SMEs, tourism village, technopreneurship, dynamic sustainable enterprise

## **INTRODUCTION**

Community Empowerment is an effort to develop community independence and prosperity by enhancing knowledge, attitudes, skills, behaviors, abilities, awareness, and utilizing resources through policy, program, activity, and mentoring in accordance with the essence of the problem and priority of village community needs (UU Village, Chapter I, Article 1: 12). The mandate of the Village Laws clearly assert that village is very closely related to the implementation of village community empowerment. Optimizing the potential of villages and their communities, especially SMEs, will be able to support national economic stability.

The existence and development of Small and Medium Enterprises (SMEs) in Indonesia is very important in the national economy. Moreover, SMEs have played a role in the absorption of labor, processing local resources, providing broad economic services to the community, the distribution process and increasing community income. In addition, SMEs potentially form more productive and competitive businesses. SMEs in Indonesia have a

significant role in contributing to the economic development through providing employment, increasing GDP, and exports (Mead and Liedholm, 1998; Tambunan, 2008).

The economic crisis occurred in the past provided wisdom, namely the emergence of awareness and recognition to the importance of the role of SMEs in national development in Indonesia (Sulistiyastuti, 2004). Because it plays a major role in job creation, the SMEs sector has a large contribution in sustaining household income, and at the same time reducing poverty (Mourougane 2010). In addition, SMEs also develop local economies and communities, create markets and innovations through their flexibility and sensitivity as well as the dynamic interrelationships between business activities, and contribute to increasing non-oil and gas exports (Urata, 2000).

In Indonesia, SMEs are the most dominant business entity, representing 99% of businesses in Indonesia and 97% of employment, but only 57% have more value (Berry et al., 2001; Mourougane, 2012). There are three main sectors of SMEs in Indonesia including agriculture; trade, hotel, restaurant; and manufacturing industry. In the manufacturing industry the activities comprise simple traditional manufacturing such as wood products, furniture, textiles, garments, footwear, food and beverages. Only a small number are involved in the production of machinery, production equipment and automotive components (Tambunan, 2010).

According to Sulistiyastuti (2004), in the context of regional development, SMEs have proven to contribute a lot. A new paradigm in regional economic development known as the Modern Regional Policy is believed to provide greater and more sustainable benefits. The main argument in this perspective is that ideal development capital should originate or be encouraged from within the region concerned. There are two main things that act as the original development capital, namely Small and Medium Enterprises (SMEs) and technological developments (technological progress). SMEs play a role in regional development by reducing inequality because it has strong roots and links with the structure of the local economy (Giaoutzi et al., 1988).

To empower SMEs in encountering the era of the ASEAN Economic Community (MEA) and free markets, efforts need to be made to improve product quality, market access, and the use of appropriate technology in order to provide greater benefits and be felt by the surrounding community. Some aspects of innovation needed for SMEs in developing their innovations are (1) innovations in technology of production process, (2) innovations in marketing and networking, and (3) innovation in product design. By adoption of these technological innovations, it is expected that SMEs can compete at both the local and global markets. It requires the support of various aspects to implement these innovations and technology, including aspects of regulation, policy, finance, human resource capacity and technology.

Towards the Asean Economic Community (MEA), it is expected that products and services from both domestic and overseas can easily compete on the free market. To maintain the existence of SME products and make the MEA era an opportunity as well as a threat, strengthening the capacity of SMEs is one of the strategies to strengthen SMEs to be able to penetrate and compete with products from abroad.

Based on the description above, Karang Tengah Village, Imogiri District, Bantul Regency as one of the villages in the Special Region of Yogyakarta has the potential of natural resources, especially green hills which have not been optimally managed by the village community. Another potential that is owned by the village is SMEs which are scattered in the area of the Karang Tengah Village village with various types of businesses. The potential that has not been managed has become a problem for the village how to make this village an independent village with the theme 'Tourism Village'.

The purpose of this initiation activity based on the above problems is to (1) determine an area that will be the main zone for tourist visits and at the same time supporting zone so that a tourist area will be created (2) map ecotourism based on SME potential in Karang Tengah Village, and (3) building awareness among citizens, especially SMEs, to be able to make a breakthrough to increase business productivity through adaptive technology and broader marketing.

## **METHODS**

The initiation of the establishment of Karang Tengah Tourism Village, Imogiri District, Bantul Regency was in accordance with the objectives (1) and (2) above, carried out by survey methods, implementation of Focus Group Discussion (FGD), mentoring and training. The rise problems are carried out identification and processing by the analytical descriptive method, namely making a problem solving by considering the arguments of Karang Tengah Village stakeholders and formulated together.

Meanwhile, to accomplish the goal (3) is carried out with the principle approach of technopreneurship to achieve a dynamic and sustainable business degree. The degree, according to Budiarto, et al. (2015), was stated to have been achieved if SMEs were able to fulfill various conditions as follows:

### **1) Dynamic Product Sustainability**

SMEs are able to sustainably supply products to meet market needs that are very dynamic. Market dynamics are not only in terms of product quantity, but also in terms of variety, quality and service.

### **2) Dynamic Preservation of the Production Process**

Product sustainability demands also mean a demand for SMEs to be able to carry out sustainable production processes. The production chain is guaranteed to be sustainable from the involvement of raw materials to final products. Quality assurance is applied so that there is a continuous improvement in quality (sustainable quality improvement).

### **3) Dynamic Preservation of Resources**

The production process that refers to business targets is carried out without sacrificing the sustainable carrying capacity that should be provided by the environment. Here, the aspect of handling waste, for example, is a key word. The zero waste orientation becomes the corridor of control. The purpose of handling waste to be a by-product that has high added value is one of the goals. In addition, exploitation of natural resources is carried out without exaggeration and is always within the limits of sustainable carrying capacity. Furthermore, human resources which play a role as a whole movement of SME activities are developed optimally.

### **4) Dynamic Preservation of Strategic Roles**

Within the typical boundaries of the micro, small and medium dimensions, SMEs are able to sustainably play a dynamic role in strengthening the environmental, social and economic aspects of society and the village. Thus, SMEs are able to become one of the vital keys to the resilience and sovereignty of society, villages, nations and countries.

## **RESULT AND DISCUSSION**

Morphologically, the area in Karang Tengah Village is in the form of hills or better known as Boekit Hijau with its use in the form of guava metedan cultivation with wild silk cultivation located on the hill. The hilly region which was developed as an Agro Tourism area. Agro tourism area or often called wild agro silk is located on the Karang Tengah hill with an area of 55 hectares.

The search results carried out by the Survey Team from the Directorate of Community Service (UGM) with the Central Karang Village Head and staff and community leaders in

Karang Tengah Village showed the potential of nature with a beautiful panorama on Bukit Hijau. On the hill, tourists can see the Oyo river on the south side, the beach on the southwest side, and the view of the city of Yogyakarta to the northwest. There was pelitisan Ki Ambarsari Sekarsari, Pelitisan Watu Wedok, Watu Gedek, WAtu Ambn and built gazebo-silk houses, cattle pens, parking lots, laboratories. The series of surveys and formulation of results are shown in Figure 1.



**Figure 1. The Survey Team is conducting a survey in Bukit Hijau and coordinating the formulation survey results to make Watu Wedok Tourism Park Middle coral village.**

Based on the results of the joint formulation, Karang Tengah Village confirmed the Bukit Hijau area to be the main tourist destination zone and was given the name 'Taman Watu Wedok'. The area as shown in Figure 2 is planned to include: (1) Bukit hijau BNI is one of the destinations where tourists can feel in the peak area of Bogor, (2) Watu Wedok Viewpoint will be able to spoil tourists with green views from rice fields, forests, rivers, and rural atmosphere. The utilization of this viewing station will be maximized by the construction of a café that has cultural nuances, (3) Watu Wedok is a large stone that has a hemisphere in the middle and there is water whose water will never run out even in the long dry season. The legend of Sultan Agung when he was going to build the Makan Raja-Raja area in Imogiri was very attached to the minds of indigenous peoples in Tengah Karang Village, and would make Watu Wedok the main tourist destination zone, (4) Tomb of Nyai Ambarsari, would become a spiritual pilgrimage followers of Sultan Agung, (4) Watu Amben, Amben in Javanese is a place to sleep. It is said that here is the resting place of Sultan Agung while looking for land shipments from the King of Saudi Arabia, (5) Brenggo Gumuk is a place of prayer used by Sultan Agung and his followers while resting in the area. Until now, when prayer times are often heard the call to prayer comes from this stone, (6) Garuda Hill is a hill in the highlands so that if you are in this place it will fly like a Garuda bird, (7) Cultural Hall will be a place for displaying various artistic potentials in Karangtengah Village. The pavilion is already there but it can be considered less feasible to use so it must be repaired again and made so that it can be used as a suitable attraction for tourism. The pavilion already has toilet facilities and a prayer room but it is no longer functioning, (8) Herbal garden, currently the land still has cashew trees but in the future it will be replaced with herbs on the right side and send because the middle area of the park will be used to be a spectator stand from an event held at the Culture Hall. In addition, from this location, sunrise and sunset can be witnessed. (9) Parking Parks, the location of which is located opposite the outbound area, the main rest area will be built, equipped with workshops and center for SME-based souvenirs, (10) Outbound area, on site besides being able to be used as a place for outbound, it can also be used as a campground for both school children and the public.

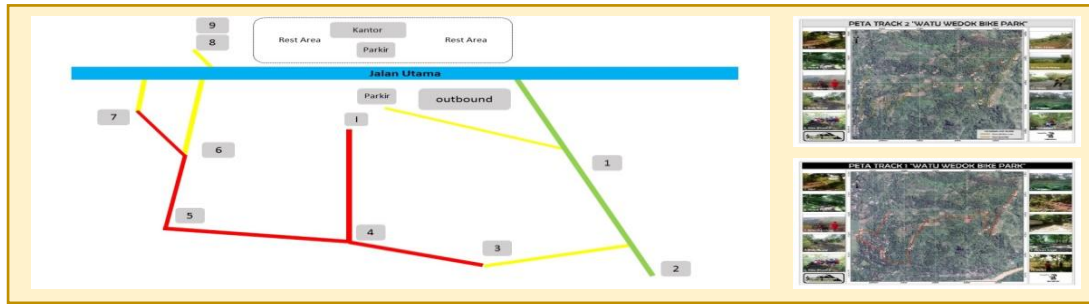


Figure 2. Local Map of Taman Watu Wedok Karang Tengah Village, and Map of Cycling Track 1 and 2.

**Legend :** 1. Bukit Hijau BNI, 2. Gardu Pandang, 3. Watu Wedok, 4. Makam Nyai Ambarsari, 5. Watu Amben, 6. Gumuk Brenggo, 7. Bukit Garuda, 8. Pendopo Budaya, 9. Taman Herbal, 10. Gardu Istirahat

While the results of the SME potential mapping show the distribution as shown in Figure 4. The types of SMEs in Tengah Karang Village include batik, food, drinks, handicrafts, and plantations. One example of SMEs in Karang Tengah Village is Peyek and Kripik Lekhan. Lekhan is a SME that produces tempe and peyet chips. The production process and showroom are on one roof in Numpukan Hamlet RT 02/12 Karang Tengah Village. The marketing process of Lekhan, according to him, did not experience many obstacles because there were already subscriptions, some even took directly to their production houses.

According to the discoveries at the field, financial calculations are performed in very simple technique, such as determining prices not adjusted for production costs. In fact, it can be said that the price since 2013 is still relatively the same because anxiety of the owners from losing their market due to price alteration.



Figure 3. The Economic Map of Karang Tengah based on Distribution of SMEs.

Based on survey, it is also found several problems that must be developed, including: work layouts that are still very prone to accidents in the work, risk management on fluctuations in raw material prices, healthier use of cooking oil, the use of very simple tools that are less hygienic and prone to occupational accidents, packaging that does not meet the minimum requirements to be able to enter the supermarket, less attractive labeling design,



insufficient number of workers for greater production, and pricing and packaging that should be adjusted to market segments not at 'regular prices' or raw material prices.



**Figure 4.** Training in Adaptive Technology Capability, Online Marketing, and branding SMEs' product in Universitas Gadjah Mada.



**Figure 5.** Online Marketing of SMEs' Product through UGM Mall and Promoting Product through Village Working Program and SME's product Exhibition at Universitas Gadjah Mada

The problems coped by these SMEs are carried out with a technopreneurship approach. According to Dendi (2009), technopreneur is an entrepreneur who develops himself based on technology, science or art or in other words, technopreneurship is a technology and science-based entrepreneur. Form of technopreneurship, including the use of technology and science in the production, marketing and process product design. Related to this, through the Directorate of Community Service UGM held several training and mentoring activities for mastering adaptive technology and marketing development for SME players in Karang Tengah Village during the period of 2016 to 2017, which included (1) Product marketing training SMEs through Marketplace, (2) Training in uploading SMEs products on online media, (3) Adaptive technology assistance for cutting tempeh, bakpia packing presses, seasoning dough mixers, frying remover, long banana cutters, and oil

extractor, (4) SMEs Digital Training and online payment (payPal), (5) Training on making branding of SMEs products. The implementation of training activities and training products in the form of examples of Lekhan product branding can be seen in Figure 4 and marketing of SMEs products through online media at UGM mall and through exhibition activities can be seen in Figure 5.

## CONCLUSION

The conclusion in the initiation of the formation and strengthening of Karang Tengah Village, Imogiri District, Bantul Regency as Karang Tengah Tourism Village is as follows:

1. It has been determined that the main purpose of tourist visits to Karang Tengah Village is the Watu Wedok tourist attraction, which will be developed into a tourist park with various supporting buildings.
2. A map of UMKM-based Karang Tengah Village ecotourism has been compiled.
3. Training and assistance have been carried out using adaptive technology and marketing.

Given that this activity is still an initial initiation, it is necessary to continue with activities that are more technical in nature and are suggested as follows:

1. It is required to make a detailed map of the Watu Wedok Tourism Park area which is equipped with a grand design of tourist areas and integrated with the potential of SMEs.
2. It is required to carry out more intensive assistance with the transformation of mastery and use adaptive technology to support the productivity of SMEs in Karang Tengah Village.
3. It is required to provide awareness for all elements of society about excellent service for tourists visiting the Karang Tengah Village area.

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