

Partnership models and income of micro-small enterprises as *Gerbang Emas* funds beneficiaries in East Flores Regency¹

Hironnymus Jati *; Indri Astuti **; Dominikus Fernandez **

* Lecturer of Management Department, Faculty of Economics and Business and Business Administration Department, Faculty of Social and Political Sciences, Nusa Cendana University

** Lecturer of Business Administration Science Department, Faculty of Social and Political Sciences, Nusa Cendana University

correspondence e-mail: hirodona@gmail.com

Abstract

This study aims to describe the business partnership model in the development of Micro, Small Enterprises (MSE) of the creative economy and to prove and explain if there is or there is not the increase in MSEs income after obtaining Community Block Grant or *Bantuan Langsung Masyarakat* (BLM) from *Gerakan Membangun Ekonomi Masyarakat* (*Gerbang Emas*) (Community Economic Development Movement). The study used cluster sampling method on 16 types of business. From sampling, we got 105 out of 502 MSEs that are BLM from *Gerbang Emas* program beneficiaries. The data used in this study are primary data obtained by interviews and questionnaires with both open and closed sentences and questions. Descriptive statistical, correlation, and paired sample t-test methods were used for data processing. The results show that 85.85% of the MSEs partner with government agencies, NGOs, and Church, 11.32% of them work in partnership with other MSEs and other institutions, 49% of them partner with distributor, 75% of them partner with raw material supplier, and 8% of them don't partner with any party. The revenue of MSEs in creative economy sector experienced an average increase of 12.76% from Rp. 4,248,007 in the previous year and there is statistically a strong correlation (0.999) between income before getting BLM and after getting BLM. There is a significant difference between income before and after getting BLM from *Gerbang Emas*. *Gerbang Emas* program only focuses on funding or providing capital to MSEs, doesn't try to give training on financial management in business so that only 48.5% of respondents differentiate or separate the funds for business purposes and for household use.

Keywords: Community, Creative Economy, Partnership

INTRODUCTION

The presence of MSMEs in economy of Indonesia basically has a role in moving the wheels of nation's economy and contributes in encouraging economic growth of Indonesia. Ryan Kiryanto (Jati, 2014) stated that MSME is not only proven to be able to

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face the prolonged economic crisis in Indonesia, but it is able to give significant contributions: (1) in labor force absorption, (2) as the social safety net, especially in employment opportunities for job seekers and employees impacted by layoffs, (3) in encouraging economic growth based on community-based economics, and (4) in strengthening economic fundamentals.

Meanwhile, Micro-Small Enterprises (MSEs) based on creative economy have potentially a high contribution to Gross Domestic Product (GDP), employment, and export value. In 2013, 15 sub-sectors of creative industries are able to contribute 7.05 percent to the National GDP, absorb 11.91 million workers or 11 percent of the total national labor force, and create 5.4 million creative business that are mostly MSEs. Government of Indonesia is targeting an increase of creative economic contribution to GDP from 7.1 percent in 2014 to 12 percent by 2019, as well as to labor absorption (from 12 million to 13 million labors) and to export value (from 5.8 percent to 10 percent). The end of “Commodity boom” creates both opportunities and challenges for the development of creative economy (Kompas, Wednesday, August 5, 2015).

The high contribution of MSMEs in general and in particular of MSEs of creative economy to national and regional economy encourages the central and local government to empower MSEs of the creative economy in relation to its advantages in: contributing to the national economy significantly, creating a positive business climate, building the image and identity of the nation, developing a renewable resources-based economy, creating innovation and creativity as they are competitive advantages of a nation, and providing a positive social impact.

East Flores Regency is one of the tourist destinations with its popular tourism object, “Semana Santa Week”, and it has 3,697 MSEs which is engaged in nine subsectors of creative economy than can move local economy. That’s why creative economy becomes important to be developed to support the tourism and it will ultimately increase the income of MSEs and Local Own-source Revenue (*Pendapatan Asli Daerah/PAD*). MSEs of the creative economy could absorb 8,448 workers that are mostly on handicraft business (45.74%), clothing or fashion business (22.36%) and culinary business (20.70%).

Gerakan Membangun Ekonomi Masyarakat (Gerbang Emas) (Community Economic Development Movement) program initiated and implemented by Government of East Flores Regency is one of the strategic plans aimed at increasing the community income and Local Own-source Revenue of East Flores Regency by focusing on (1) agricultural revitalization (in a broad sense), (2) empowering the community-based economics through cooperatives, village communities, and microfinance institutions, and (3) tourism development with *Semana Santa Week* as its entry point, in addition to the development of tourism objects and destinations. The development of tourism objects will push growth of riil sectors, such as hotels, restaurants, handicraft industries and creative industries (*Bappeda* (Development Planning Agency at Sub-National Level) East Flores – *RPJMD* (Local Government-term Development Plans) East Flores, 2012).

The empowerment of MSEs in general and in particular MSEs of creative economy is intended to improve the empowerment and productivity of MSEs of creative economy actors so as to produce and provide creative products that can meet the demand, needs, and wants of tourist coming to East Flores, either tourists for the celebration of *Semana Santa* or other tourist who ultimately bring in revenue and profit to the MSEs of the creative economy.

However, the study of Jati et al. (2015) stated that MSEs of the creative economy that become the target of *Gerbang Emas* program in East Flores still face problems in the development of creative industries. The most common problem is the issue of financing, followed by the issue of financial management, human resources, institutions, business management, partnerships, raw material, marketing, technologies, and location of the business.

The findings of the research above indicate that the problems of MSMEs in general and MSEs of creative economy in particular are always dynamic in accordance with environmental changes, technological advances, and the ability of MSEs adjusting to changes in business world. Therefore, this study conducted by focusing on partnership according to Law No. 20 of 2008 as a means to create competitiveness, maintain the continuity and growth of business, and change on income and profit of MSEs of the creative economy after receiving BLM from *Gerbang Emas* program.

This study wants to explain about a partnership model of MSE of the creative economy empowerment involving Micro, Small, Medium Enterprises (MSMEs), Large Enterprises, Government of East Flores Regency, and Universities (Higher education institutions) which are expected to contribute to the development of MSEs of the creative economy as the supports for East Flores tourism.

The study aims to: 1) Describe partnerships and partnership models in the development of MSEs of the creative economy; 2) Prove and explain if there is or there is not the increase in MSEs income after obtaining Community Block Grant or *Bantuan Langsung Masyarakat (BLM)* from *Gerbang Emas*.

Micro Enterprises are productive economic activities owned by individuals and/or sole proprietorship that fulfill the criteria of Micro Enterprises as stated by law. Small Enterprises are independent productive economic activities, owned by individuals or an enterprise that are not part of a Medium-sized Enterprise or a Large Enterprise. Furthermore, Medium Enterprises are independent productive economic activities, owned by individuals or legal enterprise that is not subsidiaries of other companies/enterprises (Law No. 22 of 2008).

According to Law No. 22 of 2008 and World Bank on the criteria of Micro, Small, and Medium Enterprises in terms of its asset, sales turnover, and number of employees, Micro Enterprise is a productive activity whose assets are less than or equal to Rp. 50 million, whose sales turnover is Rp. 300 million, and which has less than 10 employees; Small Enterprise is a productive activity whose assets are up to Rp. 500 million, whose sales turnover reaches Rp. 2.5 billion and which has less than 30 employees; and Medium Enterprise is a productive activity with assests reaching Rp. 10 biliion, with sales turnover of less than Rp. 2.5 billion up to 50 billion and that has more than 300 employees (Law No. 20 of 2008 and World Bank). In reality, not all micro and small business actors can properly record their assets and sales turnover so other criteria can be used in classifying a business unit into specific groups as used by World Bank. Therefore, in this study, a combination of criteria under Law No. 20 of 2008 and criteria from World Bank is required, whether Micro-Small Enterprises which have a legal entity or individual-owned enterprises without legal entity (Jati and Timuneno, 2014).

The development of Micro-Small Enterprises must face some problems, both at the early stages of creating and at development stage (Ikhsan, 1994), both internal and external problems, such as issues in marketing, production, management, owner's behavior on using the income, accessing funding from banks, although it has got coaching and funding from government (Jati, et al., 2011; Manizu, 2010). Jati et al. (2015) also found that the problems experienced by MSEs of the creative economy that

are BLM beneficiaries from *Gerbang Emas* program are in: financing, financial management, human resources, institutions, business management, partnership, raw materials, marketing, technologies, and location of business. To overcome the problems, Government Regulation No. 44 of 1997, Presidential Instruction No. 6 of 2007, and Law No. 20 of 2008 were issued, and the contents briefly include: improving access to capital for MSMEs, developing entrepreneurship and human resources, increasing market opportunities for MSMEs, infrastructure, information on business, partnerships, business licensing, business opportunity, marketing/promotion of business, supports from institutions, and reform of regulatory policies related to coordination and control.

In relation to the empowerment of Micro-Small Enterprises based on the creative economy that support tourism in general, and in particular *Semana Santa Week* in Larantukan, East Flores, it needs innovative empowerment program involving all related parties: micro small business actors, local government, universities, medium and large business actors, and other institutions related to the celebration of *Semana Santa*.

Creative economy is a development from a concept based on creative assets that potentially increase economic growth (Dos Santos, 2007). Furthermore, Howkins stated that creativity is not new and neither is economics, but what is new is the nature and the extent of the relationship between them and how they combine to create extraordinary value and wealth. UNCTAD formulated the definition of creative economy: the creative economy is an emerging concept dealing with the interface between creativity, culture, economics and technology in a contemporary world dominated by images, sounds, texts, and symbols. While the creative industries can be defined as follows: the creative industries are the crossroad of the arts, culture, business, and technology. All of these activities are in creative skills and can generate income through trade and intellectual property rights (Creative Economy Report 2013, United Nations, unctad.org/es/Docs/ditctab2013-en-pdf, accessed on March 9, 2013).

The Ministry of Trade Republic of Indonesia (2009) defined that the creative economy as: a new economic era that intensifies information and creativity by relying on the idea and stock of knowledge of its human resources as the main production factor in its economic activities. The creative economy is meant to generate and distribute goods and services that have economic and art values based on individual skills and talents to create creativity of individual that focus on developing ideas in producing value-added products.

Creative industry is a main pillar in developing the creative economy sector. Creative industry according to Department of Culture, Media, and Sport (DCMS) United Kingdom (1998): “Creative Industries as those industries which have their origin in individual creativity, skill and talent, and which have a potential for wealth and job creation through the generation and exploitation of intellectual property and content” (<http://blog.pasca.gunadarma.ac.id/2012/05/12/ekonomi-kreatif-apaan-sich/>). The Ministry of Tourism and Creative Economy (2009) defined the creative industry as “industry created from the utilization of creativity of the individual”. UNCTAD defined creative industry as (accessed on July 2012): ““The creative industries: (a) are the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs; (b) constitute a set of knowledge-based activities, focused on but not limited to arts, potentially generating revenues from trade and intellectual property rights; (c) comprise tangible products and intangible intellectual or artistic services with creative content, economic value and market objectives; (d) stand at the crossroads of the arts, services and industrial sectors; and (e) constitute a new dynamic sector in world trade.”

Creative industries can be classified to different models. Model from DCMD UK classified creative industries into: advertising, architecture, art and antiques markets, crafts, design, fashion, film and video, music, performing arts, publishing, software/program, television and radio, and video and computer games. Classification of symbolic text model: indigenous culture industry, advertising, film, internet, music, publishing, television and radio, video and computer games, art goods, fashion, software, sports, and electronic goods. UNCTAD grouped creative industries as follows: Heritage: Traditional Cultural Expressions: Art crafts, festival celebrations; Cultural Sites: Historical monuments, museums, libraries, etc; Arts: Virtual Arts: Painting, culture, antique, photography, etc; Performing Arts: Live music, theaters, dance, opera, puppetry circus, etc; Media: Publishing and Printed Media: Books, newspapers, press and other publication; Audio-Visuals: Film, television and radio broadcasting; New Media: Software, video games, animations ; Functional Creations: Design : Interior, Graphic, Fashion, Jewellery toys; Creative Service: Architecture, advertising, creative R&D, Cultural Services, digital service, etc (UNCTAD, Creative Economy Report 2013). The classification of the creative industries in Indonesia is no different from the classification above and according to Presidential Regulation No 72 of 2015 on Amendment of Presidential Regulation No. 6 of 2015 on the Creative Economy Agency has reclassified creative industries from 15 subsectors to 16 subsectors, i.e architecture; interior design; visual communication design; product design; movies/films, animations, and videos; photography; crafts; culinary; music; fashion; apps and game developer; publishing; advertising; television and radio; performing arts; and fine arts.

MSEs have a role and contribution in economic and social development but still have constraints so it is absolutely necessary to be empowered through an innovative program. Suharto (2010) said that empowerment refers to the ability of people, especially vulnerable and weak groups of people, so that they have the ability to (a) fulfill their basic needs, (b) have economic resources that enable them to increase their income and get things needed; and (c) participate in the development process and decisions that affect their life. Empowerment is an effort made by Central Government, Local Government, Business World, and society synergistically in the form of economic climate growth and business development on Micro, Small, and Medium Enterprises so as to grow and develop into a strong and independent enterprises/business (Article 1 of Law No. 20 of 2008).

The principles of MSMEs empowerment are: growing self-reliance, cooperation/collectiveness, and entrepreneurship of Micro, Small, and Medium Enterprises to work with their own initiative; a transparent, accountable, and fair public policy; the development of regional-based and market-oriented enterprises in accordance with the competency of Micro, Small, and Medium Enterprise; increasing competitiveness of Micro, Small, and Medium Enterprises; and the implementation of integrated planning, execution, and control (Article 4 of Law No. 20 of 2008).

The empowerment of MSEs of the creative economy through BLM from *Gerbang Emas* program is categorized as an innovative program. This innovation is the modification of Desa Mandiri Anggur Merah (DeMAM) program by improving the management element of the program executor, that is forming coordination team at Regency, Sub-District, and Village level which previously coordinated only at Provincial and Village level, not involved at Regional and Sub-district level (Jati, Astuti and Fernandez, 2015). The empowerment was done through groups to facilitate coordination, monitoring and control to ensure that *Gerbang Emas* program can be

implemented effectively and efficiently, including detecting the constraints and problems on the development of MSEs of the creative economy.

Secara internal diakui bahwa UMK memiliki kemampuan yang terbatas dalam aspek manajemen bisnis, manajemen keuangan, produksi dan pemasaran, sedangkan secara eksternal kebijakan pemerintah yang kadang menjadi penghambat pengembangan usaha, selain persaingan bisnis antara UMKM maupun dengan bisnis skala besar bahkan bisnis pemerintah. Jika dicermati secara mendalam, maka persoalannya bukan pada modal, produksi, pasar atau kebijakan pemerintah melainkan “keterbatasan UMK” dalam mengakses informasi pasar, sumberdaya keuangan, teknologi, infrastruktur, jasa-jasa pengembangan, dan jaringan kerjasama atau kemitraan bisnis. Karena itu, UMKM mutlak membutuhkan campur tangan pihak lain untuk membantu mengatasi sejumlah persoalan yang dihadapinya dan salah satu alternatif terbaik adalah melalui kerjasama atau “bermitra”. (Jati dan Tokan, 2006).

On internal aspect, MSEs have limited ability in business management, financial management, production and marketing, while on external aspect there are government policies which sometimes become barrier of business development in addition to business competition between MSMEs, large enterprises, and even state-owned enterprises. If we take a closer look at the issue, the problem doesn't lie on the capital, production, market or government policies aspects, but it lies on the limitations of MSEs in accessing market information, financial resources, technology, infrastructure development services, and network cooperation or business partnerships. Therefore, MSMEs absolutely need the intervention of others to help overcome a number of problems and one of the best alternatives is through cooperation or "partnering". (Teak and Tokan, 2006).

Today, partnership is a demand and need to face business competition. Law No. 20 of 2008 on Micro, Small, and Medium Enterprises affirmed that partnership is business cooperation between small and medium enterprises or large enterprises with the guidance by medium or large enterprises by taking into account the principle of mutual need, mutual strengthening and mutual benefit. Partnership under the Law only regulates partnerships between small, medium and large business actors, but it does not seize the opportunity of partnership between Micro Small Enterprises with Universities and Local Government.

Article 5 of Law No. 20 of 2008 affirmed that (1) the Central Government, the Regional Government, the Business World, and the community facilitate, support and stimulate partnership activities, which are mutually demanding, trusting, strengthening and beneficial. (2) Partnerships between Micro, Small and Medium Enterprises and Partnerships between Micro, Small and Medium Enterprises with Large Enterprises cover the process of transfer of skills in production and processing, marketing, capital, human resources and technology. (3) The Ministry of the related sector shall regulate the provision of incentives to Large Enterprises undertaking partnerships with Micro, Small and Medium Enterprises through innovation and development of export oriented products, employment, use of appropriate and environmental friendly technologies, and organizing training.

Partnerships can be done with the following patterns: a. nucleus-plasma; b. Subcontracting; c. franchise; d. general trading; e. distribution and agents; and f. other forms of partnership, such as: profit sharing, operational cooperation, joint ventures, and outsourcing. The partnership models in the empowerment of MSEs of the creative economy in East Flores Regency in this study use and develop the models proposed by the Ministry of Trade Republic of Indonesia (2008):

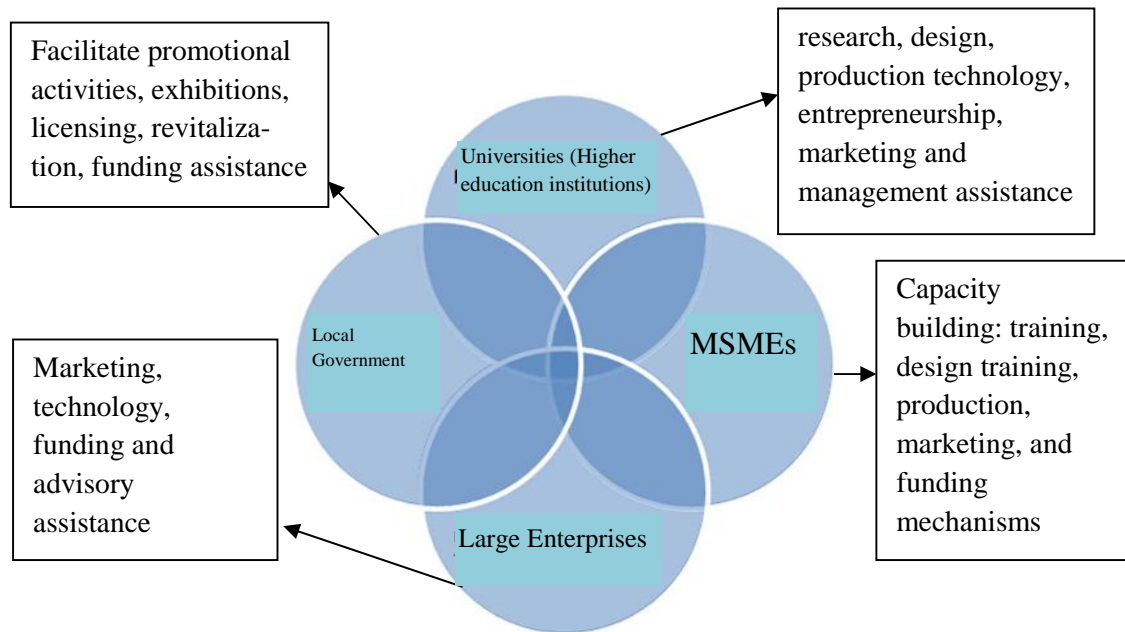


Figure 1: Partnership models on the development of creative industries

The actors of MSMEs work on a partnership with the objectives: To influence policy changes and avoid the dissipation; To build integration in facing various business pressures, if MSME actors know each other personally; To focus on the efforts of every MSME actors in serving their respective markets profitably; it means maintaining the market that has been served; To take advantage from a singergist perspective that puts each business actors in a win-win position. Profits can be generated through access to cooperation services; To capitalize and enhance business development opportunities; To reduce business risks that can at any time befall the company (Jati and Tokan, 2006).

Any pattern or model of partnerships is certainly very useful for all parties who partner, among others: Production and marketing of products become more secure because of a expeditious supply chain. The product will soon be delivered to the final customer in time because of marketing network; The quality of MSME products will increase and be better known through business partners, or promotions at relatively low cost; MSMEs financial problems can be resolved because through a partnership trading or short-term credit will be available automatically and can be utilized by MSME actors, and; Business profits will be higher because some business risks have been diverted or minimized (Jati and Tokan, 2006).

RESEARCH METHODS

Data and information used in this research are primary data and information from the selected MSEs, government, and church. Secondary data and information are from government institution whose task and function is related to empowerment of MSEs of the creative economy. Data and information collection was done by having questioners, interviews, field observations by visiting the selected MSEs, and related documentation, such as Regent Regulation (*Peraturan Bupati*) No. 5 of 2013 on Technical Guidelines for Implementing the *Gerbang Emas* Program through Community Economic Empowerment, reports on the implementation of the *Gerbang Emas* program 2013-2014, and other researchs related to the MSEs of the creative economy and tourism.

This study is limited to MSEs of the creative economy that are beneficiaries of *Gerbang Emas* program of 2013-2014. There are 502 MSEs classified in 16 sectors/sub-sectors of business, while the sample in this study is determined by 21% of the

population drawn randomly and proportionally to obtain sample size, that is 106 MSEs. Results and discussion are limited to two aspects, namely: business partnership and the income of MSEs of the creative economy after getting BLM.

The data were processed by using descriptive statistic method to know the mean, standard deviation, and paired sample of t statistic relating to correlation and income difference test (t-test) before and after getting BLM from *Gerbang Emas* program. Furthermore, the processed data are analyzed descriptively.

RESULTS AND DISCUSSION

Partnering and partnership is one of the determinants of the success and sustainability in business in addition to capital and human factors. MSEs of the creative economy, both at national and regional level, are able to move the national and regional economy, especially in the absorption of labor so that to improve its competitiveness, its contribution in GDP, and maintain its business continuity is needed cooperation or partnership in business. The high level of competition nationally and globally indirectly says that only Micro-Small Enterprises collaborating or partnering can compete and survive in business world.

The ideal partnership model initiated in the development of micro small business of creative economy is involving four parties, namely: Local Government, Higher Education, Micro Small Enterprises, and Large Enterprises and other related parties as stated by the Ministry of Trade RI (2008). However, the results of field research indicated that medium and large enterprises in East Flores have not partnered with MSEs of the creative economy with various reasons that they think are logical but not economically supportive of regional development programs and regional competitiveness at national and regional levels. To solve the partnership problem, the research group together with the Cooperative and MSE Office of East Flores Regency initiated and together with small micro business actors formed Micro Small Enterprises Forum of East Flores so that the partnership model for micro small enterprises of the creative economy is:

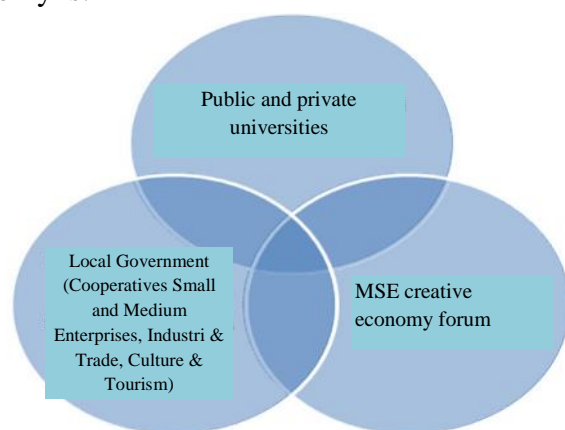


Figure 2. Partnership model for micro small enterprises of the creative economy
 Source: Results of focus group discussion with related department on August 2016

This study also found that the pattern of partnerships practiced by MSEs of the creative economy is largely based on beliefs without written agreement, only for cashew nuts and souvenir crafts business that has a nucleus-plasma partnership have written agreements. Other MSEs that have legal partnerships are: publishing, printing and selling books, convection, souvenir based on *tenun ikat*, and top up counter (*counter pulsa*).

The partnership pattern set forth above involve only business actors, the Government, NGOs and others, such as vocational / training schools (for the culinary business, garment, furniture) but not a single MSEs or government work with universities in empowering MSEs of the creative economy. This model or pattern is currently being offered to the MSEs of the creative economy and the regency government of East Flores (see figure) to work together in empowering MSEs of the creative economy. Each party outside MSEs will contribute in accordance with the duties and functions as well as the capacity so that together with high education institutions, skill level of partnered enterprises can be improved, technology transfer can be realized, business and finance literacy can be enhanced by universities through continuous and scheduled training and mentoring. The effect of the proposed model will be visible within the next 3-4 years as it requires a process of equalizing perception, the consequences of cooperation and socialization.

Partnership model and objectives of partnership by MSEs of the creative economy in East Flores done so far be presented as follows:

Table 1 Partnership model of MSEs of the creative economy

Partnership with Institutions /Enterprises	%	Partnership Pattern	Objective of Partenership
Local Government	85,85	Business Advocate	Financing Business
Local Government	14,15	Subcontracting and Outsourcing	Marketing (furniture, culinary, and souvenir)
LSM-Swiss Contact	90,20	Nucleus-Plasma	Product, quality, price & market
Other MSEs	11,32	General trading	Marketing and availability of raw materials and products
Distributor –Agent	49	Distribusi-Agent	Product, quality, price & market
Supplier	75	General trading	Assurance on availability of materials and products, price.

Source: Processed primary data, 2016

The results show that most of the MSEs partner with the government related to funding assistance and only a small or 14.15% of MSEs partnering with governments related to marketing (Furniture and Culinary as well as souvenirs), exhibition, promotion and use of outsource for government operational activities (culinary). MSEs of the creative economy that are in Cashew Nuts business that partner with NGOs use nucleus-plasma pattern so that quality standard and quantity of cashew nut product to be marketed by partner (in this case Swiss Contact) is completely determined by partner. Prices are set according to quality standards and types of commodities so that the MSEs of the creative economy get certainty of selling price and market. Business partnerships also occur between fellow MSEs and other institutions and the most common partnership pattern is general trading pattern, ie manufacturers and distributors or retailers to continue supplying materials and goods, and selling products produced by fellow MSEs related. For example, *tenun ikat* manufacturers partner with souvenir manufacturers or other craftsmen for production and marketing.

In addition to that, 49% of MSEs have distribution and agency partnership schemes. For example, there is a MSE of the creative economy producing handicrafts that combine *tenun ikat* and woven goods to serve the American market through

distributors in Denpasar Bali, while others still serve the domestic markets. Furthermore, some of MSEs partner with raw material suppliers (*tenun ikat*, furniture and handicrafts made from *tenun ikat*) and have general trading partnership, that is small and medium enterprises provide raw materials needed by those MSEs.

The interesting thing about this study is that there are as many as 8 percent of MSEs that do not partner with other parties except the government in obtaining financial aid. Creative products produced are marketed on their own, as well as raw materials and labor required in business operations are prepared and done on their own. This group is doing snack business (culinary) on a small scale tailored to the ability of those MSEs.

In East Flores Regency, there is one large scale industry and 11 major trade but there is no large enterprises to partner with MSEs of the creative economy, either using nucleus-plasma pattern, general trading pattern, subcontract, or other patterns. For other businesses, such as catching fish and fish processing, there has been partnership on nucleus-plasma and general trading pattern.

The Income of MSEs

Based on the results of the study of 106 MSEs of the creative economy that are beneficiaries of BLM from *Gerbang Emas* program, it is known that there is an increase in sales and also an increase in the net income. The performance of MSEs is measured by the amount of net income earned because the all targeted MSEs have a productive activity prior to *Gerbang Emas* program.

Table 2 Comparison of net income of MSEs of the creative economy after getting BLM

No	Business Field	BLM Funds	After	Before	%+/-
1	Crafts	8,750,000	9,897,474	7,908,621	12.70
2	Hebel Block (<i>Batako</i>)	11,500,000	6,945,833	5,986,500	16.34
3	Brick (<i>Batu Bata</i>)	7,166,667	2,851,840	1,930,983	11.41
4	Repair Shop (<i>Bengkel</i>)	11,125,000	2,575,625	1,684,001	11.37
5	Top Up Shop (<i>Counter Pulsa</i>)	20,681,750	2,420,833	1,547,092	11.47
6	Photocopying Services	20,906,667	1,965,972	1,053,764	21.08
7	Cashew Nuts	3,928,571	2,869,940	1,588,959	14.76
8	Konveksi	10,625,000	10,846,875	9,463,125	19.90
9	Culinary	3,450,000	5,162,700	4,514,270	14.29
10	Wood Furniture	15,251,929	9,627,497	8,528,703	8.82
11	Books Publishing & Trading	7,500,000	9,895,833	9,017,708	7.32
12	Mattress / Bed Production	2,000,000	2,766,667	1,873,254	15.64
13	Computer Rental	25,333,333	1,932,783	1,359,469	11.32
14	<i>Tenun Ikat</i>	3,553,571	3,906,671	3,301,188	12.82
15	<i>Jagung Titi</i> (Titi Corns Snack)	2,437,500	3,759,792	3,080,344	14.32
16	Photo Studio	6,000,000	12,500,000	10,625,000	17.65
	Average	8,207,774	4,835,775	4,288,535	12.95

Source: Processed Primary Data, 2016

The average increase in net income per business sector in the largest nominal amount is Rp 1,988,853 and the lowest is Rp 280,982, while it relatively (%) varies greatly between business types with the range of 7.32% - 21.08% compared to before getting BLM, or an average of 12.93%. BLM from *Gerbang Emas* is a stimulant, and it is proven to be able increasing business profit of MSEs of the creative economy.

The average net income of MSEs of the creative economy after getting BLM increased by 12.95% (0% and highest 25%) while there are 16 respondents who

obtained net income of 0% -5% with details: one respondent for Cashew Nuts, five respondents for Wood Furniture, one respondents for Computer Rental, one respondent for *Tenun Ikat*, two respondents for *Jagung Titi* (Titi Corns Snack), and one respondents for Book Publishing and Trading. MSEs of the creative economy which experienced a 20-25% increase of net income after getting BLM from *Gerbang Emas* program are: two respondents for Cashew Nuts, three respondents for convection, four respondents for woven bonds, and one respondent for *Jagung Titi* (Titi Corns Snack).

The results of this study are in line with the results of research conducted by Nihayah (2015) on the effect of women's savings and loan programs on the income of small micro-enterprises and poverty reduction in the economic perspective of Islam, the case study of *PNPM Mandiri Perdesaan* Bangilan sub-district, Tuban, which concluded that the income of the respondent before receiving the loan from the *SPP*, the average monthly income was Rp 966,571.42 and it increased after receiving the loan from the *SPP* program that was to be Rp 1,520,000 or increased by 36.40 percent. Other research conducted in East Sumba by Jati and Timuneno (in Jati, 2014) found that net income of MSE partnered with Perum Pelindo II (now PT) increased by an average of 20% after receipt of soft loan assistance from Rp 4,337 .887 before the soft loan to Rp 5,198,945. Research conducted by Nurhayati (2011) analyzed the difference of the income of micro enterprises before and after receiving credit aid of National Program of Rural Community Empowerment (*Program Nasional Pemberdayaan Masyarakat Mandiri Pedesaan*) in Polokarto Sub-district, Sukoharjo Regency, Central Java Province 2007-2009, concluded that the income of 57 micro business entrepreneurs in average increased by Rp 28,339; Rp 202.582; and Rp 100,538 after obtaining credit assistance.

Based on the results presented above, it can be stated that the various economic empowerment programs and MSEs of the creative economy, especially the one initiated and implemented by the government together with the community as mentioned above, significantly increased the income of the community and the beneficiaries of BLM from *Gerbang Emas* program and in the future it is expected to have leverage through increased sells turnover, business expansion and business performance.

The results of statistical tests to show and prove whether there is a difference and a real correlation between income generated by MSEs of the creative economy after getting BLM from *Gerbang Emas* program and before getting the BLM shows the results as follows:

Table 3 Statistics and paired sample correlation

Keterangan Pasangan	Average	N	Standard Deviation	Average Standard error	Correlation	Significancy
Income (after)	4.7902	106	6.8700	6.67678	0,999	0,000
Income (before)	4.2481	106	6.1192	5.94354		
Paired Sample Test						
Keterangan Pasangan	Average	SD	SE	Confidence level 95%		t value
				Bawah	Atas	
Income (after)	5.42077E5	7.79019E5	75664	3.92048E5	6.92107E5	7.164
Income (before)						

Source: Processed primary data

Statistically, the average income of MSEs of the creative economy before the acquisition of BLM from *Gerbang Emas* was 4.2481 points and after the acquisition of BLM reached 4.7902 points – it means that the increase in average income of

respondents after the acquisition of BLM was 12.76%, while the increase in the average income subsector or business group was 12.96%.

The result of statistical test shows that there is a strong correlation and the real difference between the income after and before MSEs of the creative economy getting BLM through *Gerbang Emas* program with r value equal to 0,999. The relationship is considered very meaningful at the level of 95% confidence which means that the innovation of *Gerbang Emas* by providing funds for MSEs of the creative economy is "quite successful". The result of paired sample t test also shows that the t value of 7,164 on degrees of freedom (dk) 105 is greater than t table of 1.29 which means that the income of MSEs of the creative economy is very significant at the 95% confidence level (0.000) . This means that there is a significant difference in the income level of beneficiaries BLM through the *Gerbang Emas* program before and after receiving soft loan assistance from the community's economic empowerment program.

Although there is an increase in the average net income earned by beneficiaries of the *Gerbang Emas* program after obtaining the funds in the form of low interest loans, but from the results of this study also found that in managing business finance most of the MSEs of the creative economy have not separated firmly and well between funds for business and household funds. Only 48.5 percent of business actors who were interviewed separated business funds from household funds. This condition should be minimized by the presence of the management team at the Village level funded by APBD or Regional Government Budget which should provide assistance to the financial management aspects of the business so that the *Gerbang Emas* fund beneficiaries are more professional in doing business.

CONCLUSIONS AND SUGGESTIONS

Conclusions

Based on the results of research and discussion already raised before, it can be concluded that:

1. The models of business partnership undertaken by MSEs of the creative are the nucleus-plasma and general trading. The partnership undertaken have not involved the existing Large Enterprises in East Flores Regency, and the universities related to the transfer of technology, training and scheduled business assistance.
2. There is an increase in the income of MSEs of the creative economy after they got BLM from *Gerbang Emas* program.
3. The results of the analysis and statistical tests show that there is a strong correlation and there is a very significant and meaningful difference between the income of MSEs before and after getting BLM from *Gerbang Emas* program.

Suggestions

Based on the discussion and conclusions of this study, some suggestions can be put forward as follows:

1. The ideal partnership model is partnership involving universities that allows continuous technology transfer, training and assistance so that it is necessary to cooperate with the government of East Flores Regency to establish the assisted villages through Partners Village (*Desa Mitra*) program with the obligation of Regency Government providing funds of Rp 100 million per year.
2. To achieve sustainability and effectiveness of the program and the achievement of the objectives of the empowerment program, it is strongly recommended to involve

Large Enterprises in East Flores through CSR (Corporate Social Responsibility) or *UB or Business Unit* program in order to foster and support a number of creative economy MSEs.

3. A Micro Business Partnership with Small Business or with Medium Business shall be done by a written agreement to guarantee the rights and obligations of each party.
4. *Gerbang Emas* with BLM as one of its program is still needed but should be preceded by socialization and training of target groups (MSEs) on business management and financial management as well as other business aspects.

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