



Financial Inclusion and Rural Development: Empowering Micro-entrepreneurs in Lubuk Beringin, Bungo Regency, Jambi, Indonesia

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ABSTRACT

Micro-entrepreneurs in rural Indonesia often face challenges in accessing financial services and developing sustainable business practices. This community service initiative aimed to empower micro-entrepreneurs in Lubuk Beringin, Bungo Regency, Jambi, Indonesia, by promoting financial inclusion and rural development. A mixed-methods approach was employed, incorporating surveys, focus group discussions, and in-depth interviews to assess the needs and challenges of micro-entrepreneurs. Based on the findings, a comprehensive program was designed and implemented, encompassing financial literacy training, business development workshops, and access to microcredit facilities. The program resulted in increased financial literacy, improved business skills, and enhanced access to financial resources among the participants. Data indicates a 20% increase in average monthly income and a 15% rise in business savings among participating micro-entrepreneurs six months after program completion. Additionally, the program fostered a sense of community and collaboration among the participants. This initiative demonstrates the vital role of public administration in empowering micro-entrepreneurs through financial inclusion and rural development strategies. By providing access to financial knowledge, skills, and resources, public administration can contribute to sustainable economic growth and improved livelihoods in rural communities.

1. Introduction

Micro, small, and medium enterprises (MSMEs) form the backbone of the Indonesian economy, representing 99% of all businesses and employing a significant portion of the workforce, particularly in rural areas (Kementerian Koperasi dan UKM, 2023). They serve as vital engines for economic growth, job creation, poverty reduction, and income distribution, contributing significantly to the nation's overall development (BPS, 2022). However, despite their crucial role, these micro-entrepreneurs, especially those operating in rural regions like Lubuk Beringin in Bungo Regency, Jambi, Indonesia, often encounter

substantial challenges in accessing formal financial services and acquiring the necessary knowledge and skills to develop sustainable business practices. This lack of access, known as financial exclusion, can perpetuate a cycle of poverty, hinder economic growth, and limit the potential of these micro-entrepreneurs to contribute fully to their communities and the national economy. Financial inclusion, defined as the access to and usage of a broad range of quality and affordable financial services, including credit, savings, insurance, and payment systems, is a critical enabler of economic development and social progress (World Bank, 2021). It empowers individuals and businesses

to manage their finances effectively, invest in their future, mitigate risks, and participate more fully in the economy. In the context of rural development, financial inclusion can play a transformative role by; Providing access to credit allowing micro-entrepreneurs to invest in their businesses, expand their operations, and increase their productivity. Savings mechanisms enable them to accumulate capital, manage cash flow, and plan for future needs. Insurance products protect them from financial shocks and unexpected events; Increased access to finance facilitates the flow of capital in rural areas, stimulating investment, entrepreneurship, and economic growth. This can lead to the creation of new businesses, jobs, and income opportunities, contributing to poverty reduction and improved living standards; Financial inclusion can improve the quality of life for rural communities by providing access to essential services, such as education, healthcare, and housing. It can also empower women and marginalized groups, promoting social inclusion and reducing inequality. Despite the recognized importance of financial inclusion, a significant portion of the Indonesian population, particularly in rural areas, remains financially excluded. According to the World Bank's Global Findex Database (2021), only 51% of adults in Indonesia have an account at a formal financial institution. This figure is likely lower in rural areas like Lubuk Beringin, where geographical isolation, limited infrastructure, low financial literacy levels, and a lack of trust in formal financial institutions can create significant barriers to access.¹⁻³

Public administration plays a crucial role in promoting financial inclusion and rural development. By formulating and implementing appropriate policies, providing infrastructure, and facilitating access to financial services, public administration can create an enabling environment for micro-entrepreneurs to thrive. This includes; Developing Supportive Policies: Governments can create policies that encourage financial institutions to expand their reach into rural areas, develop financial products tailored to the needs

of micro-entrepreneurs, and promote financial literacy and education; Providing Infrastructure: Investing in infrastructure, such as transportation, communication, and technology, can improve connectivity and reduce the costs of delivering financial services in rural areas; Facilitating Access to Financial Services: Public administration can work with financial institutions to simplify loan application processes, provide financial counseling and training, and promote innovative financial products and services, such as mobile banking and agent banking, to reach underserved populations; Strengthening Financial Institutions: Supporting the development of strong and stable financial institutions, including microfinance institutions and rural banks, can increase the availability of credit and other financial services for micro-entrepreneurs; Promoting Financial Literacy and Education: Public administration can play a key role in raising awareness about financial concepts, products, and services, empowering individuals and businesses to make informed financial decisions.⁴⁻⁶

Community empowerment is a critical component of successful rural development initiatives. It involves empowering communities to identify their own needs, participate in decision-making processes, and take ownership of development projects. Participatory approaches recognize that local communities possess valuable knowledge and insights about their own challenges and potential solutions. By actively involving communities in the planning, implementation, and monitoring of development initiatives, public administration can ensure that programs are relevant, effective, and sustainable.^{7,8} Lubuk Beringin, a village located in Bungo Regency, Jambi Province, Indonesia, is characterized by a predominantly agricultural economy with a significant portion of the population engaged in micro-enterprises, primarily in the agricultural and informal sectors. These micro-entrepreneurs face numerous challenges, including limited access to financial services, low levels of financial literacy, and a lack of business skills. These challenges hinder their ability

to grow their businesses, generate income, and improve their livelihoods.^{9,10} This community service initiative aimed to address the challenges faced by micro-entrepreneurs in Lubuk Beringin by promoting financial inclusion and rural development. The program focused on empowering micro-entrepreneurs by providing them with the knowledge, skills, and resources needed to improve their business practices and access financial services.

2. Methods

This community service initiative, focused on empowering micro-entrepreneurs in Lubuk Beringin, employed a mixed-methods approach to ensure a comprehensive understanding of the challenges faced by the target group and to design and implement a program that effectively addressed their needs. This approach allowed for the collection and analysis of both quantitative and qualitative data, providing a richer and more nuanced picture of the situation on the ground. The research design incorporated three distinct phases: needs assessment, program design and implementation, and monitoring and evaluation.

The initial phase of this initiative focused on conducting a thorough needs assessment to gain a deep understanding of the current situation of micro-entrepreneurs in Lubuk Beringin. This involved examining their financial literacy levels, evaluating their existing business practices, and assessing their access to financial services. The needs assessment employed a combination of research methods to ensure the collection of diverse perspectives and comprehensive data. Firstly, a structured questionnaire was administered to 150 micro-entrepreneurs across Lubuk Beringin. This survey aimed to gather quantitative data on various aspects of their entrepreneurial activities and financial well-being. The questionnaire covered demographic characteristics, business activities, financial literacy levels, and access to financial services. Questions on financial literacy were designed to assess understanding of basic financial concepts, such as budgeting, saving, and debt management, while

questions on access to finance explored their experiences with formal financial institutions and the types of financial services they utilized. To complement the quantitative data from the surveys, six focus group discussions (FGDs) were conducted. Each FGD involved a group of 8-10 micro-entrepreneurs, creating a comfortable and interactive environment for participants to share their experiences, challenges, and needs. The discussions delved deeper into their understanding of financial concepts, their current business practices, and their experiences, if any, with financial institutions. This qualitative approach allowed for a more in-depth exploration of the challenges faced by micro-entrepreneurs and provided valuable insights into their perspectives and needs. Furthermore, in-depth interviews were conducted with 10 key informants selected for their knowledge and influence within the community. These informants included village leaders, local government officials, and representatives from financial institutions operating in the area. The interviews aimed to gather diverse perspectives on the challenges faced by micro-entrepreneurs and to explore potential solutions from various stakeholders. This approach provided a broader understanding of the context in which micro-entrepreneurs operate and identified opportunities for collaboration and support. The data collected through these various methods were meticulously analyzed to identify key themes, patterns, and areas of need. This analysis formed the foundation for the next phase of the initiative: designing and implementing a tailored program to address the specific challenges faced by the micro-entrepreneurs of Lubuk Beringin.

Guided by the findings of the comprehensive needs assessment, a multi-faceted program was meticulously designed and implemented. The program aimed to equip micro-entrepreneurs with the necessary knowledge, skills, and resources to enhance their business practices and improve their access to financial services. The program was structured around three core components: financial literacy training, business development workshops, and facilitating access to microcredit facilities. The financial literacy

training was delivered through a series of interactive workshops designed to enhance participants' understanding of essential financial concepts and empower them to make informed financial decisions. The training covered a range of topics critical for managing personal and business finances, including budgeting, saving, managing debt, understanding various financial products, and navigating the process of accessing financial services. The training modules were carefully developed based on the specific needs identified in the assessment phase and were tailored to the local context to ensure relevance and maximize impact. The training methodology emphasized active participation and utilized real-life examples and case studies to enhance comprehension and application of the concepts. Complementing the financial literacy training, a series of business development workshops were conducted to enhance the entrepreneurial skills of the participants. These workshops focused on providing practical knowledge and tools to improve various aspects of their business operations. Topics covered included business planning, developing effective marketing strategies, implementing sound financial management practices, and delivering excellent customer service. Recognizing the value of personalized guidance, a mentorship program was integrated into the business development component. Experienced entrepreneurs from the local community were paired with participants to provide ongoing support, advice, and encouragement throughout their entrepreneurial journey. To address the critical challenge of accessing financial resources, the program actively facilitated linkages between participants and local microfinance institutions and banks. This involved providing comprehensive support to participants in navigating the process of accessing microcredit. The program assisted participants in completing loan applications, ensuring they had the necessary documentation and understood the terms and conditions. Furthermore, recognizing that access to credit alone is not sufficient, the program provided ongoing financial counseling to participants. This counseling aimed to empower them to manage their

loans effectively, make sound financial decisions, and utilize the acquired funds to grow their businesses sustainably.

Throughout the implementation of the program, a robust monitoring system was in place to ensure its effectiveness and to allow for adjustments as needed. This involved maintaining detailed attendance records, collecting feedback from participants through feedback forms, and conducting regular meetings with participants to assess their progress and address any challenges. The monitoring process provided valuable insights into the program's strengths and weaknesses, enabling the implementation team to make necessary modifications to optimize its impact. To evaluate the program's effectiveness, a post-program evaluation was conducted six months after its completion. This evaluation aimed to assess the program's impact on the participating micro-entrepreneurs and to measure the extent to which the program objectives were achieved. The evaluation employed both quantitative and qualitative methods to gather comprehensive data. Follow-up surveys were administered to the participants to assess changes in their financial literacy levels, business practices, and access to finance. These surveys mirrored the initial surveys conducted during the needs assessment phase, allowing for a direct comparison and measurement of the program's impact on key indicators. Focus group discussions were also conducted with participants to gather qualitative data on their experiences with the program and its impact on their businesses and livelihoods. These discussions provided valuable insights into the perceived benefits of the program and allowed participants to share their stories of how the program had influenced their entrepreneurial journeys.

3. Results and Discussion

Table 1 provides a snapshot of the demographic and economic characteristics of the 75 micro-entrepreneurs who participated in the community service program in Lubuk Beringin. The majority of participants (59.3%) fall within the 31-50 age range,

indicating a relatively young and potentially dynamic entrepreneurial cohort. There is a slightly higher representation of female entrepreneurs (53.3%) compared to males (46.7%), suggesting a strong involvement of women in micro-enterprises in Lubuk Beringin. A significant portion of participants (40%) have attained tertiary education, while 46.7% have completed secondary education. This indicates a relatively educated group of entrepreneurs, which could be a positive factor for their business development potential. The primary business sectors represented are agriculture (40%), trade (33.3%), and services (26.7%), reflecting the typical economic activities in a rural area like Lubuk Beringin. Most participants have been in business for at least one

year, with 33.3% having 1-3 years of experience and 26.7% having 4-6 years of experience. This suggests a mix of relatively new and more established businesses. The majority of participants (73.3%) reported an average monthly income below IDR 3,000,000, with 33.3% earning less than IDR 2,000,000. This highlights the need for interventions to support income generation and business growth among these micro-entrepreneurs. A striking finding is the limited access to credit among participants prior to the program. A vast majority (86.7%) reported having no access to formal credit, indicating a significant barrier to business development and a key area for intervention.

Table 1. Participant characteristics.

Characteristic	Category	Frequency	Percentage
Age (Years)	20-30	20	26.7%
	31-40	25	33.3%
	41-50	18	24.0%
	51+	12	16.0%
Gender	Male	35	46.7%
	Female	40	53.3%
Education level	Primary	10	13.3%
	Secondary	35	46.7%
	Tertiary	30	40.0%
Primary business sector	Agriculture	30	40.0%
	Trade	25	33.3%
	Services	20	26.7%
Years in business	<1	15	20.0%
	1-3	25	33.3%
	4-6	20	26.7%
	7+	15	20.0%
Average monthly income (IDR)	<2,000,000	30	40.0%
	2,000,000 - 3,000,000	25	33.3%
	3,000,000 - 4,000,000	15	20.0%
	4,000,000+	5	6.7%
Access to credit (Prior to the Program)	Yes	10	13.3%
	No	65	86.7%

Table 2 provides a detailed overview of the key challenges faced by micro-entrepreneurs in Lubuk Beringin, as identified through the needs assessment. These challenges are categorized into three main areas: financial literacy, access to credit, and market linkages. A significant majority (73.3%) of participants struggle with understanding basic financial terms, such as interest rates and loan terms. This indicates a low level of financial literacy, which can hinder their ability to make informed financial decisions and manage their businesses effectively. This is further supported by the finding that 70% of participants scored below 60% on a basic financial literacy assessment. 80% of participants reported not having a formal budget for their business, highlighting a lack of financial planning skills. This can lead to poor financial management and difficulties in tracking income and expenses, ultimately hindering business growth. Only 20% of participants had a business bank account, indicating a limited understanding of the financial products and services available to them. This can restrict their access to financial tools that could support their business operations and growth. A major barrier to accessing credit is the lack of collateral, with 60% of participants reporting not owning land or property that could be used as security for a loan. This is a common challenge for micro-entrepreneurs in rural areas, limiting their ability to secure funding for their businesses. 90% of participants had no prior experience with formal loans, resulting in a limited credit history. This can make it difficult for them to access credit from formal financial institutions, as lenders often rely on credit history to assess risk. The complexity of loan application procedures poses another challenge, with 82.7% of participants finding the forms difficult to understand. This can discourage micro-entrepreneurs from applying for loans and further restrict their access to credit. Many participants (77.3%) rely solely on local markets for sales and lack information about wider market opportunities. This can limit their potential customer base and hinder business growth. 46.7% of participants reported facing difficulties

transporting their products to larger markets due to limited access to transportation and logistics. This can restrict their ability to expand their market reach and increase sales. A majority (56%) of participants had no formal marketing or branding strategies for their businesses. This can limit their ability to effectively promote their products and services and attract customers.

Table 3 outlines the comprehensive program of activities designed to empower micro-entrepreneurs in Lubuk Beringin. The program is structured around three core components: financial literacy training, business development workshops, and access to microcredit. Each component includes a variety of activities with specific learning objectives and tailored materials to address the needs identified in the needs assessment; Financial Literacy Training: This component focuses on building foundational knowledge and skills in personal and business finance. The "Budgeting and Saving" workshop equips participants with practical tools to manage their income and expenses effectively. "Understanding Financial Products and Services" demystifies various financial products, empowering participants to make informed choices about banking, credit, and insurance. "Managing Debt and Credit" promotes responsible borrowing practices and provides strategies for managing debt effectively; Business Development Workshops: This component aims to enhance entrepreneurial skills and business acumen. "Marketing and Branding" helps participants develop strategies to promote their products/services and establish a strong brand identity. "Customer Service" focuses on building positive customer relationships and providing excellent service to enhance business success. "Financial Management for Businesses" provides essential skills in managing cash flow, pricing products, and understanding financial statements, crucial for sustainable business growth; Access to Microcredit: This component facilitates access to financial resources to support business development. The "Loan Information Session" clarifies the microloan application process, eligibility criteria, and available

loan products. "Loan Application Assistance" provides personalized support to participants in navigating the application process, ensuring they have the necessary information and documentation. "Financial

Counseling" offers ongoing guidance and support to loan recipients, promoting responsible borrowing and sound financial management practices.

Table 2. Needs assessment findings.

Challenge	Specific issue	Frequency	Percentage	Supporting data
Low levels of financial literacy	Difficulty understanding financial terms (e.g., interest rates, loan terms)	55	73.3%	70% of participants scored below 60% on a basic financial literacy assessment.
	Lack of budgeting and financial planning skills	60	80%	85% of participants reported not having a formal budget for their business.
	Limited understanding of financial products and services	48	64%	Only 20% of participants had a business bank account.
Limited access to credit	Lack of collateral	45	60%	75% of participants reported not owning land or property that could be used as collateral.
	Limited credit history	50	66.7%	90% of participants had no prior experience with formal loans.
	Complex application procedures	62	82.7%	50% of participants found loan application forms difficult to understand.
Inadequate market linkages	Lack of information about market opportunities	58	77.3%	60% of participants relied solely on local markets for sales.
	Limited access to transportation and logistics	35	46.7%	40% of participants reported facing difficulties transporting their products to larger markets.
	Lack of marketing and branding skills	42	56%	70% of participants had no formal marketing or branding strategies for their businesses.

Table 3. Detail program form community services.

Program component	Activity	Description	Duration	Frequency	Materials	Facilitator
Financial literacy training	Budgeting and Saving	Workshop on creating a budget, tracking expenses, and developing a savings plan.	3 hours	Once	Worksheets, presentations, calculators	A financial advisor from a local bank
	Understanding Financial Products and Services	Session on different types of financial products (loans, savings accounts, insurance), their features, and how to access them.	2.5 hours	Once	Brochures, presentations, case studies	Bank manager, loan officer
	Managing Debt and Credit	Workshop on responsible borrowing, understanding interest rates, and managing debt effectively.	3 hours	Once	Worksheets, presentations, real-life examples	Financial counselor
Business development workshops	Marketing and Branding	Session on developing a marketing plan, identifying target markets, and creating a brand identity.	4 hours	Two sessions	Worksheets, presentations, marketing materials	Marketing consultant
	Customer Service	Workshop on effective communication, handling customer complaints, and building customer loyalty.	3 hours	Once	Role-playing scenarios, customer service guidelines	Experienced entrepreneur
	Financial Management for Businesses	Session on managing cash flow, pricing products, and understanding financial statements.	3.5 hours	Two sessions	Worksheets, templates for financial statements, accounting software demonstration	Accountant, business advisor
Access to microcredit	Loan Information Session	Presentation on available microloan products, eligibility criteria, and application procedures.	2 hours	Once	Loan application forms, information brochures	Loan officers from partner financial institutions
	Loan Application Assistance	One-on-one guidance to help participants complete loan applications and gather necessary documentation.	Variable	As needed	Application checklist, sample documents	Loan officers, program staff
	Financial Counseling	Individual consultations to discuss financial needs, loan terms, and responsible borrowing practices.	Variable	As needed	Financial planning tools, debt management resources	Financial counselor

Table 4 presents compelling evidence of the positive impact of the community service program on the participating micro-entrepreneurs in Lubuk Beringin.

The table highlights key outcomes across three main areas: increased financial literacy, enhanced business skills, and improved access to credit. The 26-point

increase in the average financial literacy score from pre- to post-training demonstrates a substantial gain in participants' understanding of financial concepts and skills. This suggests that the financial literacy training effectively equipped participants with the knowledge needed to make informed financial decisions. With 73.3% of participants developing a budget for their business, the program fostered a greater awareness and application of financial planning. This indicates that participants are now better equipped to manage their business finances and track their income and expenses. The fact that 40% of participants opened a business bank account highlights an increased engagement with formal financial institutions. This suggests that the program successfully addressed barriers to accessing financial services and encouraged participants to utilize these services for their business needs. 80% of participants reported feeling more confident in their marketing abilities, indicating that the program effectively enhanced their marketing skills. This could lead to improved marketing strategies and increased sales for

their businesses. With 86.7% reporting improved customer interactions, the program successfully enhanced participants' customer service skills. This could lead to increased customer satisfaction and loyalty, contributing to business growth. 77.3% of participants reported better management of their business finances, including record-keeping and expense tracking. This indicates that the program equipped them with the necessary skills to manage their finances more effectively and make sound financial decisions. 53.3% of participants successfully accessed microcredit, demonstrating a significant improvement in their ability to secure funding for their businesses. This suggests that the program effectively facilitated access to financial resources and built confidence among both the micro-entrepreneurs and the lending institutions. The fact that 95% of those who accessed credit reported using it responsibly and making timely repayments indicates that the program promoted responsible borrowing practices. This is crucial for ensuring the long-term sustainability of their businesses and their financial well-being.

Table 4. Program participation and outcomes.

Outcome	Measure	Result	Supporting data
Increased financial literacy	Average score on financial literacy assessment (pre- and post-training)	Pre-training: 52/100; Post-training: 78/100	A 26-point increase in average score indicates a significant improvement in understanding of financial concepts and skills.
	Number of participants who developed a budget for their business	55 out of 75 participants	73.3% of participants developed a budget, indicating increased awareness and application of financial planning.
	Number of participants who opened a business bank account	30 out of 75 participants	40% of participants opened a business bank account, demonstrating increased engagement with formal financial services.
Enhanced business skills	Self-reported improvement in marketing skills	60 out of 75 participants	80% of participants reported feeling more confident in their ability to market their products/services.
	Self-reported improvement in customer service skills	65 out of 75 participants	86.7% of participants reported improved customer interactions and satisfaction.
	Self-reported improvement in financial management skills	58 out of 75 participants	77.3% of participants reported better management of business finances, including record-keeping and expense tracking.
Improved access to credit	Number of participants who successfully accessed microcredit	40 out of 75 participants	53.3% of participants obtained microloans, enabling them to invest in their businesses.
	Average loan amount received (IDR)	10,000,000 IDR	This indicates increased confidence from financial institutions in lending to the micro-entrepreneurs after their participation in the program.
	Number of participants who reported using credit responsibly	38 out of 40 participants	95% of those who accessed credit reported using it responsibly and making timely repayments.

Table 5 provides compelling evidence of the positive economic impact of the community service program on the participating micro-entrepreneurs in Lubuk Beringin. It focuses on two key indicators of financial well-being: average monthly income and business savings. The data shows a significant increase in the average monthly income of participants, rising from IDR 2,500,000 before the program to IDR 3,000,000 six months after program completion. This represents a 20% increase in income, indicating that the program

effectively contributed to improving the earning potential of the micro-entrepreneurs. Business savings also showed a positive trend, increasing by 15% from IDR 500,000 before the program to IDR 575,000 after six months. This suggests that the program not only helped increase income but also fostered better financial management practices, enabling participants to save a larger portion of their earnings.

Table 5. Impact data.

Indicator	Before program	After program (6 months)	% change
Average monthly income (IDR)	2,500,000	3,000,000	+20%
Business savings (IDR)	500	575	+15%

The findings of this community service initiative in Lubuk Beringin offer compelling evidence of the transformative potential of public administration interventions in promoting financial inclusion and empowering micro-entrepreneurs in rural Indonesia. The observed outcomes, particularly the significant improvements in financial literacy, business skills, access to credit, and income generation, underscore the vital role that public administration can play in fostering sustainable economic development and improving livelihoods in rural communities. The substantial increase in financial literacy scores among participants is a cornerstone of the program's success. This improvement signifies a deeper understanding of financial concepts, products, and services, empowering micro-entrepreneurs to make informed decisions regarding their personal and business finances. With a better grasp of financial concepts like budgeting, saving, and debt management, participants are better equipped to make sound financial decisions. This can lead to more effective allocation of resources, reduced financial risks, and improved financial stability for their businesses. Increased financial literacy enables micro-entrepreneurs to confidently navigate the often complex world of financial services. They can now better understand the features, benefits,

and risks associated with various financial products, such as loans, savings accounts, and insurance. This empowers them to choose the most suitable financial tools to support their business needs and goals. By applying their improved financial knowledge to their business operations, participants can optimize their financial management practices. This can include developing more accurate budgets, managing cash flow effectively, and making informed investment decisions, all of which contribute to improved business performance and profitability. Ultimately, improved financial literacy contributes to greater financial well-being for both the individual entrepreneurs and their families. By making sound financial decisions and managing their finances effectively, they can improve their financial security, reduce financial stress, and enhance their overall quality of life. The self-reported improvements in marketing, customer service, and financial management skills further highlight the program's positive impact. These skills are fundamental for micro-entrepreneurs to effectively manage and grow their businesses. Enhanced marketing skills enable micro-entrepreneurs to identify and reach their target markets effectively. They can develop marketing strategies that resonate with their customers, promote their products or

services more effectively, and ultimately increase sales and revenue. Strong customer service skills are essential for building positive relationships with customers and fostering loyalty. By providing excellent service, micro-entrepreneurs can enhance customer satisfaction, encourage repeat business, and build a strong reputation within their community. Improved financial management skills are critical for the long-term sustainability of any business. By effectively managing cash flow, tracking expenses, and understanding financial statements, micro-entrepreneurs can make informed decisions about pricing, inventory, and investments, leading to improved profitability and financial stability. The significant increase in the number of participants who successfully accessed microcredit is a particularly noteworthy achievement. Access to credit is often a major obstacle for micro-entrepreneurs in rural areas, hindering their ability to invest in their businesses and expand their operations. By facilitating access to microcredit, the program has empowered participants to overcome financial constraints and invest in their businesses. This can enable them to purchase new equipment, expand their inventory, hire additional staff, or pursue new market opportunities, all of which contribute to business growth and increased income. The program's success in facilitating access to credit also reflects an increased level of confidence and trust between micro-entrepreneurs and financial institutions. By providing financial literacy training and financial counseling, the program has helped participants demonstrate their creditworthiness and build stronger relationships with lenders. The increased access to credit among participants contributes to broader efforts to promote financial inclusion in rural Indonesia. By enabling micro-entrepreneurs to access formal financial services, the program helps to integrate them into the formal financial system and reduce financial exclusion. The observed increases in average monthly income and business savings provide tangible evidence of the program's positive economic impact. These improvements in financial well-being are directly

linked to the program's focus on enhancing financial literacy, business skills, and access to credit. The 20% increase in average monthly income represents a significant improvement in the financial livelihoods of the participating micro-entrepreneurs. This increased income can contribute to improved living standards, better access to essential goods and services, and greater economic security for their families. The 15% rise in business savings demonstrates that the program not only helped increase income but also fostered better financial management practices. The ability to save a larger portion of their earnings provides micro-entrepreneurs with a financial cushion to manage unexpected expenses, invest in their businesses, and plan for the future. The positive impact on income and savings has the potential to contribute to poverty reduction in the community. By empowering micro-entrepreneurs to generate higher income and improve their financial security, the program can help lift them and their families out of poverty. The findings of this initiative have broader implications for rural development strategies in Indonesia. They demonstrate the potential of well-designed interventions to empower micro-entrepreneurs, stimulate economic activity, and improve livelihoods in rural communities. By supporting the growth and development of micro-enterprises, the program contributes to economic growth and job creation in the rural economy. As micro-entrepreneurs expand their businesses, they create new employment opportunities, generate income, and stimulate economic activity within their communities. The program's focus on empowering micro-entrepreneurs, particularly women, has the potential to contribute to social empowerment and reduce inequality. By providing them with the knowledge, skills, and resources to succeed in business, the program can help them achieve greater economic independence and participate more fully in society. The program's emphasis on financial literacy, responsible credit usage, and sustainable business practices aligns with the principles of sustainable development. By promoting financial inclusion and

empowering micro-entrepreneurs to build resilient businesses, the program contributes to long-term economic and social development in the community.¹¹⁻

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The success of this community service initiative in empowering micro-entrepreneurs in Lubuk Beringin can be attributed to a confluence of factors that worked synergistically to create a conducive environment for learning, growth, and positive change. These factors encompass the program's design, implementation strategies, partnerships, and the dedication of the individuals involved. A cornerstone of the program's success was its unwavering commitment to a needs-based approach. This involved a comprehensive and meticulous needs assessment conducted at the outset of the initiative. The assessment employed a mixed-methods approach, combining quantitative data from surveys with qualitative insights gathered through focus group discussions and in-depth interviews with key informants. This multi-faceted approach ensured a holistic understanding of the challenges and opportunities faced by micro-entrepreneurs in Lubuk Beringin. The needs assessment served as a compass, guiding the design and implementation of the program. By identifying the specific gaps in financial literacy, business skills, and access to credit, the program was able to tailor its activities to address the most pressing needs of the participants. This targeted approach ensured that the program was relevant to the local context and responsive to the unique challenges faced by micro-entrepreneurs in Lubuk Beringin. The emphasis on a needs-based approach reflects a broader shift in development practice towards more participatory and context-specific interventions. Recognizing that "one-size-fits-all" solutions are often ineffective, the program prioritized understanding the specific needs and aspirations of the community it sought to serve. This approach not only enhanced the program's effectiveness but also fostered a sense of ownership and engagement among the participants. The program's success can also be attributed to its comprehensive approach, which

addressed multiple dimensions of micro-entrepreneur empowerment. Recognizing that financial literacy alone is not sufficient for sustainable business growth, the program combined financial literacy training with business development workshops. This holistic approach aimed to equip participants with a comprehensive set of tools and knowledge to improve their business practices and financial well-being. The financial literacy training provided a strong foundation, enhancing participants' understanding of financial concepts, products, and services. This empowered them to make informed financial decisions, manage their finances effectively, and access and utilize financial services confidently. Complementing the financial literacy training, the business development workshops focused on enhancing practical business skills. These workshops covered a range of topics critical for business success, including marketing, customer service, and financial management. By developing these skills, participants were better equipped to attract customers, manage their operations effectively, and achieve sustainable business growth. This comprehensive approach recognized the interconnectedness of financial literacy and business skills. By addressing both aspects, the program provided participants with a more holistic and empowering learning experience. This integrated approach is crucial for fostering sustainable livelihoods and promoting economic development in rural communities. The program's success in facilitating access to microcredit was largely due to the strong partnerships it forged with local microfinance institutions and banks. These partnerships played a crucial role in bridging the gap between micro-entrepreneurs and formal financial services. The program assisted participants in navigating the often complex loan application procedures, ensuring they had the necessary documentation and understood the terms and conditions. This reduced barriers to accessing credit and increased the likelihood of successful loan applications. The program offered financial counseling to participants, both before and after obtaining loans. This counseling helped them

understand responsible borrowing practices, manage their loans effectively, and make sound financial decisions for their businesses. The program collaborated with financial institutions to promote financial products that were specifically designed to meet the needs of micro-entrepreneurs in rural areas. This ensured that participants had access to appropriate and affordable financial services. These partnerships not only facilitated access to credit but also fostered a greater understanding and trust between micro-entrepreneurs and financial institutions. This is crucial for promoting financial inclusion and building long-term relationships that can support the continued growth and development of micro-enterprises. The program's emphasis on community participation was another key factor contributing to its success. From the initial needs assessment to the design, implementation, and monitoring phases, the program actively involved the community in every step of the process. By involving the community in the needs assessment, the program ensured that its activities were relevant to the local context and addressed the specific challenges faced by micro-entrepreneurs in Lubuk Beringin. Community participation fostered a sense of ownership among the participants, making them active stakeholders in the program's success. This ownership contributed to greater engagement and commitment to the program activities. By building local capacity and empowering the community to take ownership of the program, the participatory approach enhanced the program's long-term sustainability. This ensured that the benefits of the program would continue even after the formal intervention ended. The program's commitment to community participation reflects a broader recognition of the importance of local knowledge and ownership in development initiatives. By empowering communities to participate in decision-making processes and take ownership of development projects, public administration can ensure that programs are more effective, sustainable, and responsive to the needs of the people they serve. While the program's design, strategies, and partnerships were crucial for its

success, the human element played an equally important role. The program's success can be largely attributed to the dedicated team of facilitators and mentors who provided high-quality training and support to the participants. The facilitators were carefully selected for their expertise in their respective fields, including financial literacy, business development, and microfinance. They employed interactive and engaging training methodologies, utilizing a variety of materials and activities to cater to different learning styles. Their passion for empowering micro-entrepreneurs and their commitment to the program's objectives created a positive and supportive learning environment. The mentorship program, which paired experienced entrepreneurs with participants, provided personalized guidance and support. The mentors shared their knowledge, experiences, and insights, offering valuable advice and encouragement to the participants. This mentorship component not only enhanced the learning experience but also fostered a sense of community and support among the micro-entrepreneurs. The dedication and expertise of the facilitators and mentors were instrumental in ensuring that the program activities were not only informative but also engaging, relevant, and impactful. Their contribution highlights the importance of investing in human capital and building local capacity to ensure the success and sustainability of development initiatives.¹⁶⁻²⁰

4. Conclusion

This community service initiative has demonstrated the profound impact of public administration in fostering financial inclusion and empowering micro-entrepreneurs in rural Indonesia. By addressing critical needs through tailored financial literacy training, business development workshops, and facilitated access to microcredit, the program significantly improved participants' financial knowledge, business skills, and access to financial resources. Consequently, participants experienced a notable increase in income and savings, contributing to improved livelihoods and economic well-being. The

success of this initiative underscores the importance of needs-based, comprehensive, and participatory approaches in community empowerment. It highlights the transformative potential of public administration in driving sustainable economic growth and poverty reduction in rural communities through strategic interventions that promote financial inclusion and entrepreneurship. Further research and program scaling are recommended to amplify impact and ensure long-term sustainability.

5. References

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