**Empowering community economy through the cassava chips MSME program**

**Afrahul Fadhila Daulay** 1\* **Rizki Rey Sandi** 2

1,2 State Islamic University of North Sumatra, Deli Serdang, 20371, North Sumatra, Indonesia

**Email**

[afrahulfadhilahdaulay@gmail.com](mailto:afrahulfadhilahdaulay@gmail.com) \*, [rizki0301221016@uinsu.ac.id](mailto:rizki0301221016@uinsu.ac.id)

**Received:** Month, Date, Year (Required) **Revised:**  **Accepted:**

**Abstract**

This study aims to empower the local community and improve its economy through the development of a cassava chips Micro, Small, and Medium Enterprises (MSME) program. The primary motivation of the study lies in the potential of MSMEs to create sustainable economic opportunities, particularly in rural areas with abundant agricultural resources such as cassava. The community service focuses on identifying the problems faced by local cassava chips producers, including limited business knowledge, lack of modern equipment, insufficient capital, and weak marketing strategies. To address these issues, the program was designed to provide comprehensive support through training in production and entrepreneurship, provision of production equipment, assistance in accessing business capital, and development of marketing strategies both through traditional markets and digital platforms. The implementation involved community participation, mentorship, and regular evaluation to ensure progress. As a result, the program showed significant improvements in productivity, product quality, and business management skills among participants. The key findings revealed a substantial increase in monthly sales turnover, expansion in market reach, and the emergence of new business units operated by community members. These outcomes indicate a positive impact on household incomes and job creation in the region. The study concludes that continuous support and collaboration from government and private sectors are essential to sustain and scale up such programs, reinforcing local economic independence and resilience.

**Keywords:** MSME, cassava chip, local economy

**DOI :**

**p-ISSN :**

**e-ISSN :**

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1. **Introduction**

Improving the community's economy has become one of the primary goals in various regions, particularly in areas with low levels of economic development. One effective approach to enhance community welfare is by optimizing local potential and natural resources, especially through the development of food-based products with high market demand. Cassava chips are one such product derived from cassava, a widely cultivated and easily accessible crop in Indonesia. Cassava is rich in nutrients and can be processed into various food products, with chips being especially popular due to their savory taste and crunchy texture. Despite the abundance of cassava, many communities have yet to fully utilize this resource for economic gain. Numerous farmers and micro, small, and medium enterprises (MSMEs) have not optimized their cassava harvests productively. They also face challenges such as limited knowledge in processing techniques, restricted access to capital and markets, and a lack of training and business mentoring. Therefore, programs that offer training, facilitation, and market access are essential for empowering communities to make the most of these opportunities, thereby achieving sustainable economic growth.

MSMEs (Micro, Small, and Medium Enterprises) are individual or legal entities that meet specific criteria and play a crucial role in driving national economic development. MSMEs contribute significantly to reducing economic disparities, as they are widely distributed across rural and remote areas often neglected by large corporations. Furthermore, MSMEs play a vital role in job creation, helping to lower unemployment rates and ultimately increase community welfare. The presence of MSMEs enables income diversification, which enhances economic resilience in the face of financial shocks. With high adaptability, MSMEs can survive and even thrive in dynamic economic conditions. Thus, continuous support from the government and related stakeholders is essential to sustain MSME growth (Tambunan, 2012:32).

Community economic empowerment refers to the process of increasing the community's ability to manage economic resources independently and sustainably. As stated by Mardikanto (2014:45), community economic empowerment involves improving access to resources, developing skills, and increasing participation in economic activities. MSMEs are one of the most important instruments in achieving this, particularly in reducing poverty and enhancing local economic growth. However, MSMEs often face barriers such as limited access to capital, technology, and markets, which require structured support from government institutions and private sectors.

Local product development is a strategic component in community economic empowerment. Cassava chips, as a local product, have added value that can significantly increase household income when managed effectively. According to Sutrisno (2015:78), developing local products involves identifying regional potential, processing raw materials, and marketing the final product. The success of local product development is supported by innovation, product quality, and effective marketing strategies. In terms of marketing, a proper strategy is essential for gaining consumer recognition and acceptance. Kotler and Keller (2009:123) emphasized that successful marketing must communicate product value and foster long-term customer relationships. In the context of cassava chips, marketing can be done through various channels, including traditional markets, modern retail stores, and online platforms. The use of information and communication technology, such as the internet and social media, can enhance market reach and interaction between producers and consumers. This technology-driven approach improves both efficiency and effectiveness in local product marketing efforts.

Cassava chips are a popular snack across various segments of society, appreciated for both their flavor and nutritional content. Cassava, the primary raw material, is a carbohydrate-rich tuber loaded with fiber, vitamins, and minerals. It comes in several varieties, including sweet potatoes and tapioca (manioc), all of which can be processed into chips. In Indonesia, cassava is a vital food crop that contributes to food security and community economy. Processing cassava into high-value products like chips provides economic benefits for producers while creating job opportunities and raising community income (Fitriani, Dian. 2020).

This study evaluates the market potential of cassava chip products in increasing household income, focusing on local market demand without expanding into international markets. Training and skills development are prioritized to improve production capacity and product quality through MSME-based training programs. Job creation is assessed based on the ability of the cassava chip program to generate new employment opportunities within the community. Marketing strategies for cassava chip products are limited to the local market context to enhance product competitiveness. The study aims to analyze the market potential of cassava chips to improve community income, identify the benefits of training in cassava chip production, assess the impact of the program in creating new jobs, and develop effective local market strategies. The study offers practical guidance for farmers and MSME actors in cassava chip development, proposes solutions for job creation, and contributes to community welfare by leveraging the economic value of cassava-based products. Sustained support from the government and related stakeholders is expected to reinforce this initiative as a key driver of regional economic growth.

1. **Research Design and Method**

The design of this community service program adopts a qualitative descriptive approach aimed at identifying, analyzing, and solving problems faced by the local community, particularly in empowering cassava-based MSMEs. This method was chosen to provide a comprehensive and contextual understanding of the conditions, potentials, and challenges encountered by cassava chip producers. The activities were carried out through a participatory approach, involving active community engagement throughout the program implementation.

The stages of implementation consisted of: (1) a preliminary survey to identify the needs, problems, and potentials of local cassava chip producers; (2) planning and preparation of training modules and mentoring activities tailored to the conditions of the target group; (3) execution of training and mentoring sessions covering aspects such as cassava chip processing techniques, quality improvement, business management, and local marketing strategies; and (4) monitoring and evaluation to assess the effectiveness of the program and measure its impact on community empowerment and income generation.

Data collection techniques used included direct observation, semi-structured interviews with MSME actors, and documentation of community responses and program outcomes. All activities were conducted collaboratively with relevant stakeholders, including local government units and community leaders, to ensure program sustainability and alignment with regional development goals. The qualitative nature of this method enabled a deeper understanding of community needs and provided a strong foundation for designing responsive and impactful interventions in support of local economic development.

1. **Results and Discussion**

The implementation of the cassava chips program has yielded significant outcomes that reflect improvements in community welfare and economic empowerment. Based on interviews and thematic transcription analysis, several key findings emerged:

***Motivation and Access to the Program***

The primary motivation for participants to join the cassava chips program stemmed from economic necessity. Several respondents reported joining due to job loss (layoffs), which forced them to seek alternative sources of income. Their desire to support their families—especially their children—served as a strong personal driver. Some participants had prior experience in making chips for festive occasions, which became a foundation for starting their own businesses. Interestingly, information about the program was often disseminated through family networks, reflecting the importance of informal communication channels in community-based initiatives.

***Income Improvement and Impact on Daily Life***

The program positively impacted participants’ income and livelihood. A stable and growing income allowed participants not only to meet basic needs but also to improve their standard of living. For example, asset accumulation—such as the ability to purchase vehicles—reflected a substantial uplift in economic well-being. Furthermore, the program enabled the creation of new employment opportunities within the community, contributing to broader socio-economic development. These findings demonstrate that the program had both micro- and macro-level impacts on the local economy.

***Production and Marketing Challenges***

Participants faced several challenges in production and marketing. The main issue was related to product pricing and packaging, particularly for rural consumers who found the price relatively high. However, with support from the MSME empowerment program, these obstacles were mitigated. Improved packaging and targeted marketing strategies enabled the products to penetrate markets in major cities such as Medan and Toba, and even reach local hotels. This expansion illustrates the potential of local products when coupled with proper marketing interventions.

***Community Role and Program Support***

Community support and government facilitation were crucial to the program's success. Access to broader markets through government events, exhibitions, and promotions helped increase the visibility and competitiveness of cassava chip products. These collaborative efforts boosted the participants’ confidence and business sustainability. The role of the community in fostering motivation and sharing experiences further enhanced the group’s cohesion and collective growth.

***Program Goals and Constraints***

The overarching goal of the program—to enhance the durability and market value of cassava chip products—was largely achieved. However, challenges such as fluctuating raw material prices (especially during holiday seasons or due to weather factors) persisted. Rising costs of cooking oil and chili posed problems for pricing stability, yet producers were hesitant to raise prices due to market competition.

***Recommendations from Participants***

Participants offered several constructive suggestions to enhance the program, including: 1) developing new product flavors to maintain consumer interest; 2) improving packaging design for visual appeal; 3) expanding digital marketing efforts via social media platforms; 4) maintaining hygiene standards during production and packaging; 5) ensuring consistent product taste and quality; and, 6) providing customer service training to improve consumer experience.

***Strategic Solutions for Program Sustainability***

In response to the challenges encountered, several strategies were proposed: 1) Bulk Purchasing of Raw Materials: Reduces cost fluctuations and ensures supply stability; 2) Efficiency in Production: Minimizes waste and optimizes resources; 3) Product Innovation: Attracts a wider market segment; 4) Dynamic Pricing Strategy: Adjusts pricing based on market conditions while maintaining competitiveness; and, 5) Digital Technology Utilization: Enhances marketing reach and customer engagement.

Through these approaches, the cassava chip program can better withstand future challenges and achieve sustainable success. Overall, the initiative demonstrates that economic empowerment through local product development is not only viable but also impactful in driving inclusive community growth.

1. **Conclusions**

Based on the results of the study and in-depth interviews with micro business actors, it can be concluded that the sweet potato chips processing program has had a significant positive impact on improving the local community's economy. This program not only addresses economic challenges caused by job termination (layoffs), but also serves as an empowerment initiative that opens up new entrepreneurial opportunities based on local potential.

The program has successfully increased the income of business participants in a sustainable manner, expanded marketing networks, and enhanced production capacity and product quality through training and mentoring. Moreover, it has contributed to job creation and strengthened local community solidarity in supporting the sustainability of these enterprises.

Cassava chips, as a locally sourced flagship product, hold great potential in both national and international markets. The application of product diversification, innovative packaging, and the use of digital technology have been proven to boost product competitiveness. Nevertheless, to ensure long-term success, adaptive strategies are needed to address challenges such as raw material price fluctuations and production resource limitations.

Through a community-based approach and support from MSME programs, the development of sweet potato chips businesses can serve as a sustainable model for economic empowerment while also promoting local economic growth based on regional potential.

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