

# Evaluation of the Community Empowerment Program Conducted by PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri

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## Abstract

The number of business entities in Wonogiri Regency has been consistently increasing. Wonogiri District has the potential to become a hub for new business development or product diversification, as recent data indicates that there are only about 217 MSMEs (3% of the total in Wonogiri Regency). In response to this situation, PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri has implemented a Corporate Social Responsibility (CSR) program focusing on the empowerment of the Iwak Presto MSME Upscaling in Wuryorejo Village, Wonogiri Regency, Central Java. This program aimed to address the challenges faced by food processing MSMEs in the region and capitalize on the significant potential of the Gajah Mungkur Reservoir fishery. The program assisted in the form of a production set and packaging equipment for the Iwak Presto MSME, which increased productivity by up to 100.69% and elevated the targeted group to a local hero status. Despite showing positive impacts, there remain gaps that require further evaluation and strategic follow-up to support long-term growth.

*Keywords:* MSME, CSR, Community Empowerment, Evaluation.

## A. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) serve as the backbone of Indonesia's economy. MSMEs play a significant role in Indonesia's economic recovery (Arum et al., 2021). The existence of MSMEs is beyond doubt, as they have proven resilient and have become a driving force for the economy, particularly in the post-economic crisis period (Sedyastuti, 2018). According to data and statistics from the Indonesian Chamber of Commerce and Industry (KADIN), MSMEs constitute 99% of all business units. In 2023, MSMEs in Indonesia reached approximately 66 million, contributing around 61% to Indonesia's Gross Domestic Product (GDP), equivalent to around IDR 9,580 trillion. MSMEs play a crucial role in reducing poverty, increasing community income, and promoting inclusive economic growth.

For a long time, MSMEs, as the majority entity of business units that absorb 97% or about 117 million of Indonesia's workforce, almost absolutely represent the people's/nation's economy (Syamsulbahri, 2018). MSMEs also play an essential role in the corporate business ecosystem, as many of them function as partners and suppliers to support the production processes of large companies. Through this role, MSMEs contribute to increasing the nation's income from a fiscal perspective (Zakiyah et al.,

2022). Despite their significant potential, MSMEs in Indonesia still face various challenges, including access to capital, technology, and broader markets.

Amid the significant contribution of MSMEs to the national economy, Wonogiri Regency is also an important example of how MSMEs play a key role in local economic growth, with their unique characteristics and challenges. Wonogiri Regency is strategically positioned in southeastern Central Java, close to East Java Province, the Special Region of Yogyakarta, and the Indian Ocean, facilitating interaction with these regions. In Indonesia’s economy, MSMEs are the most dominant group of businesses and have proven resilient in facing various economic crises. Most, or nearly 99%, of MSMEs in Indonesia are micro-businesses in the informal sector, generally using local raw materials and targeting local markets (Sedyastuti, 2018). The same is true for Wonogiri Regency, where products are marketed to specific niche markets, helping to maintain market stability. Although this approach does not always elevate the class of MSMEs, it has proven effective in maintaining their resilience against market changes and crises, including those caused by the COVID-19 pandemic. This indicates that the adaptation management of MSMEs in Wonogiri is quite good in dealing with external conditions (Johadi et al., 2023).

The number of business entities in Wonogiri Regency continues to grow. This is evidenced by the implicit index data of the Gross Regional Domestic Product (GRDP) released by the Statistics Indonesia (BPS) of Wonogiri Regency, where in 2020, the index reached 141.79, an increase from 139.27 in 2019 (Arum et al., 2021). As many as 99.70% or approximately 7,310 MSMEs in Wonogiri Regency, spread across more than 25 districts, are micro and small enterprises, with around 98% dominated by micro-businesses, which are generally managed traditionally (Table 1). The workforce is primarily sourced from family members, relatives, or friends. The types of businesses range from culinary to services, with most of the workforce consisting of family members or relatives (Johadi et al., 2023).

**Table 1. Number of MSMEs in Wonogiri Regency in 2021**

No	Disrict	Total	No	District	Total
1	Pracimantoro	453	14	Wonogiri	217
2	Paranggupito	381	15	Ngadirojo	245
3	Giritontro	237	16	Sidoharjo	304
4	Giriwoyo	314	17	Jatiroto	621
5	Batuwarno	38	18	Kismantoro	946
6	Karangtengah	171	19	Purwantoro	69
7	Tirtomoyo	306	20	Bulukerto	381
8	Nguntoronadi	211	21	Puhpelem	61
9	Baturetno	190	22	Slogohimo	165
10	Eromoko	312	23	Jatisrono	204
11	Wuryantoro	251	24	Jatipurno	121
12	Manyaran	32	25	Girimarto	835

No	District	Total	No	District	Total
13	Selogiri	193	26	Unknown Address	52
SUBTOTAL			7,310		

Source: Wonogiri Regency’s Office of Cooperatives, MSMEs, Industry, and Trade (2021)

Based on Table 1, which illustrates the distribution of MSME actors in Wonogiri Regency, Wonogiri District has 217 entities, equivalent to 3.0% of the total, placing it in a median position compared to other districts in Wonogiri Regency. With this 3.0% figure, Wonogiri District’s contribution is neither too significant nor negligible, allowing for the potential development of local opportunities to enhance the region’s economy.

The Wonogiri Regency area undoubtedly possesses diverse economic potential. This diversity also impacts the food processing sector, which serves as a key business area. Regional economic potential is defined as the economic capacity of a region that can be developed into a source of income to meet the living needs of the local population. This potential can also drive overall regional economic growth, enabling sustainable development. According to data from the Wonogiri Regency Office of Cooperatives, MSMEs, Industry, and Trade (KUKM and PERINDAG), there are several leading MSME clusters in the food and beverage (F&B) sector. A comparison between the number of MSME actors in Wonogiri District and Wonogiri Regency as a whole is depicted in Figure 1.

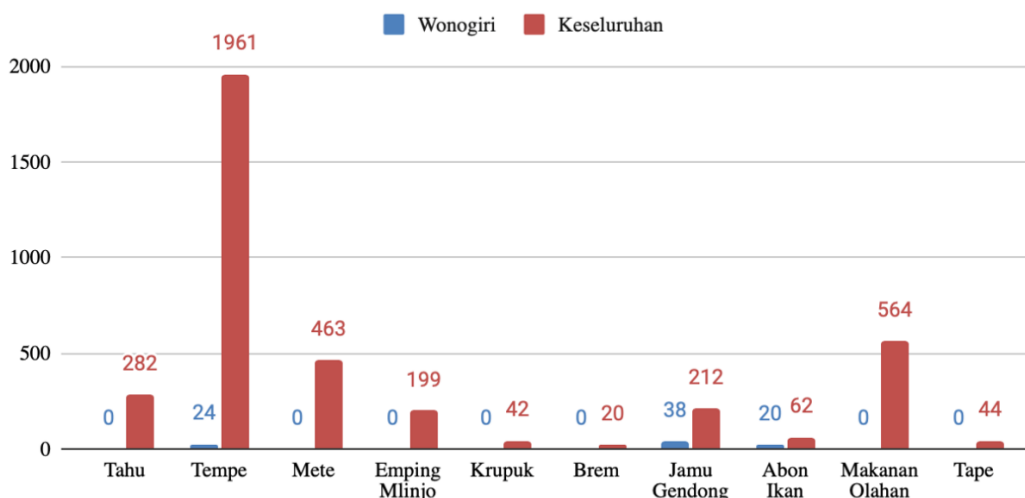


Figure 1. Comparison of the number of MSMEs in the food sector in Wonogiri District and Wonogiri Regency as a whole

Source: Department of Cooperatives, MSMEs and Trade, Wonogiri Regency

Based on the diagram above, MSMEs in Wonogiri District focus on producing tempeh, herbal drinks (jamu gendong), and fish floss. This may indicate a specialization or local market preference at the district level. Meanwhile, the absence of tofu production and other processed foods in Wonogiri District could present opportunities for new business development or product diversification. This also served as the basis for the community empowerment program initiated by PT PLN

Indonesia Power UBP Mrica Unit PLTA of Wonogiri in 2023. This corporate program is a manifestation of Corporate Social Responsibility (CSR), aiming to enhance the welfare of the communities living around the Wonogiri Hydroelectric Power Plant (Silvia & Nirawati, 2024).

According to the 2022 Progress Report on MSME Clusters in Wonogiri Regency, several issues were identified in each cluster or food and beverage sector, including the processed food cluster. The challenges found in the field include unappealing packaging, many MSMEs lacking certification, food safety concerns, and limited marketing networks. The proposed solutions to address these issues include packaging and food safety training, facilitating food safety and halal certification, and establishing marketing partnerships with medium and large enterprises.

The abundance of local ingredients correlates directly with the richness of regional cuisine. By efficiently utilizing natural and cultural assets, Wonogiri has significant potential to enhance its unique appeal and expand the positive socio-economic impact on local communities (Chairunnisa & Darmawan, 2024). The government must actively encourage the community to start businesses or MSMEs to sustain the economy and improve the overall well-being of society (Aliyah, 2022). The area around PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri that holds development potential is Gajah Mungkur Reservoir.

The vast potential in the fisheries sector at Gajah Mungkur Reservoir in Wonogiri has motivated the local community to utilize the reservoir as a source of livelihood through fishing activities. A total of 63 fishing groups depend on this reservoir as their primary source of income, utilizing it to meet their families' needs and sustain their livelihoods (Putra et al., 2023). Given the potential of Gajah Mungkur Reservoir and the various challenges faced by MSMEs, particularly in the processed food cluster, PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri has focused on assisting the Naik Kelas Iwak Presto MSME program as a flagship initiative. PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri has implemented various sustainable community empowerment programs to support the independence and well-being of the local population.

This journal's evaluation highlights the comparison between the actual conditions and the ideal expectations of the Naik Kelas Iwak Presto MSME empowerment program. The program has positively impacted MSMEs' productivity and capacity, but several gaps remain. These gaps include both technical and non-technical aspects, such as the availability of adequate production and packaging equipment and MSME management capacity. This evaluation aims to identify areas that require improvement so that the program can achieve more optimal results.

## **B. RESULTS AND DISCUSSION**

PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri, as a state-owned enterprise in the electricity supply sector, plays a crucial role in supporting national development and improving the quality of life for the community. In this context, the implementation of Corporate Social Responsibility (CSR) is essential to ensure that the

company's operations are not solely focused on economic profits but also consider environmental sustainability and community welfare (Sengke et al., 2024).

PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri has identified several challenges faced by MSMEs, particularly in the processed food cluster, as well as the local potential from fisheries that can be leveraged to enhance the well-being of communities around Gajah Mungkur Reservoir. MSMEs generally do not rely on raw materials from abroad; instead, they tend to utilize available local resources around their business locations or creatively and innovatively use waste materials from large companies (Zakiyah et al., 2022). The Naik Kelas Iwak Presto MSME program aims to increase the independence and capacity of MSMEs in the production of processed fish (presto) from fisheries in Gajah Mungkur Reservoir and to help MSMEs upgrade through the support of production equipment.

In the 2022 Progress Report on MSME Clusters in Wonogiri Regency, various common issues in the processed food cluster were highlighted as primary concerns to be addressed. The following are specific problems and how the Naik Kelas Iwak Presto MSME program implemented by PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri, seeks to address them:

1. Unappealing packaging

One of the issues faced by MSMEs in the processed food sector, including Iwak Presto, is the lack of attractive product packaging. Suboptimal packaging can diminish a product's appeal in the market, especially when competing against other products with more professional and eye-catching designs. The Naik Kelas Iwak Presto MSME program provides access to resources for improving packaging, to enhance the visual appeal of Iwak Presto packaging.

2. Lack of food safety certification

Many MSMEs in the processed food sector do not yet have food safety certification, which poses a significant barrier to accessing broader markets, including modern retail and export markets. In the context of this program, PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri assists Iwak Presto MSME in obtaining such certification by providing technical support and information on the procedures and standards that need to be met. This effort aims to boost consumer confidence in the products and open up new market opportunities.

3. Limited marketing networks

One of the main challenges for MSMEs in the processed food sector is the limited marketing network. Although Iwak Presto products are of high quality, they are often only known in the local market and have yet to reach a broader consumer base.

The first input component in addressing the various challenges faced by the Iwak Presto MSME is the provision of a set of production equipment. This assistance, designed by PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri, serves as the foundation for activities aimed at enhancing the quality and competitiveness of Iwak Presto MSME products. The production equipment provided allows the Iwak



Presto MSME to process fish more efficiently and consistently. Improved product quality increases the likelihood of meeting higher market standards, including those of modern retail and export markets.

In addition to the essential production equipment, the next input component is packaging supplies. With the provision of a complete set of packaging equipment, it is expected that the Iwak Presto MSME will be able to package its products more effectively, resulting in more professional and attractive packaging that captures consumer attention. Packaging functions as a key aspect of “branding,” playing a critical role in a product’s marketing success. It also serves as a protective layer and a means of conveying product information to consumers (Juliarsa & Permana, 2023).

Another critical input component is the cost of purchasing production and packaging equipment. The beneficiaries of the Naik Kelas Iwak Presto MSME program are families classified as poor, which has been a particular concern for PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri as the implementing company of this program. The high cost of purchasing equipment has hindered the Iwak Presto MSME from continuing to grow and innovate. The provision of a complete set of production and packaging equipment not only offers a technical solution but also lays the foundation for these MSMEs to expand further. With this support, the Iwak Presto MSME is expected to advance from a small scale, limited to local markets, to a larger scale with access to broader markets and greater growth potential. Ideally, the provided production equipment would have a larger capacity with more advanced automation features to accommodate potential future demand increases. The current assistance includes one freezer with a capacity of 200 liters, two pressure cookers, and four pairs of scissors and knives each. The current production equipment is effective for the present production scale, but a significant increase in demand could create a gap between the actual capacity and the ideal capacity. Ideal packaging not only serves to encase the product but should also have the capability to automatically print labels, enhance branding value, and increase competitiveness in modern markets. The CSR assistance in this context includes 40 sheets of packaging stickers. While this sticker provision has had a positive impact, a gap remains in optimizing its use.

**Table 2. Productivity of the Iwak Presto MSME Before and After the Program**

Program	Average Income		Increase in Revenue	Percentage of Increase
	Before Program (IDR)	After Program (Rp)		
The Iwak Presto MSME	2,150,000	4,315,000	2,165,000	100.69%

Source: Community Empowerment Program Implementation Report, 2023

The CSR assistance provided by PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri in the form of production and packaging equipment to the Iw Naik Kelas Iwak Presto MSME program in Wonogiri District has had a significant impact

on the productivity of the target group. This is evident in Table 2, which shows the increase in income of the target MSMEs.

Based on Table 2 above, it can be observed that there was a significant increase in income before and after the program was implemented. The figures above indicate the success of the mentoring program by PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri for the Iwak Presto MSME. Several key points explain how this assistance influenced productivity, including increased production capacity; optimization of packaging processes; operational efficiency and cost reduction; and enhanced market competitiveness.

The more efficient production equipment has accelerated the processing of Iwak Presto fish, which previously required more time and labor. After receiving additional production equipment, the MSMEs were able to produce more Iwak Presto fish in a shorter amount of time. The more advanced and modern production equipment helps these MSMEs maintain the consistency of Iwak Presto product quality. This superior equipment also contributes to a reduction in the need for manual labor and allows for more efficient working hours. The reduction in time and labor in the production process plays a role in lowering operational costs.

The growth of the Iwak Presto MSME has led to the targeted group's capacity being recognized as a local hero. The role of a local hero is crucial in strengthening the group. A local hero can be considered the main driving force that determines the direction of the group and focuses on improving the quality of human resources and the group (Munawaroh et al., 2023). Important points that a local hero must possess include access, power, and knowledge. To ensure the continued existence of the Iwak Presto MSME in Wonogiri District, a local hero must be able to build good relationships with the surrounding community, the company, and the government. This is vital for a group to have a strong foundation for effectively managing resources extending networks, and collaborating with various parties who have stakeholder interests in the group (Munawaroh et al., 2023).

A local hero should ideally have significant power within the community, working together with their group to develop the program. The access and power held by a local hero must be balanced with knowledge related to the program so that they can guide its development. The presence of a local hero provides encouragement and motivation for community members to continue striving and uniting in the face of challenges.

In the local community around Gajah Mungkur Reservoir, there is a prominent Iwak Presto MSME entrepreneur, Mr. Fenny OA. In this context, he is regarded as a local hero because of his ability and capacity to maintain the balance of the Sermo Reservoir ecosystem, which is a valuable asset for the surrounding community. Every year, Fenny OA collaborates with the fishing community and relevant parties to organize fish seed maintenance programs.

The assistance provided by PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri in the form of production and packaging equipment has been highly beneficial (with high utility) in increasing the productivity of the target group,

specifically the Iwak Presto MSME in Wonogiri. This assistance not only enhances production capacity and operational efficiency but also strengthens the MSMEs' position in the market with higher-quality products and more attractive packaging. Therefore, this assistance plays a crucial role in improving the competitiveness and sustainability of MSMEs in the region.

This descriptive analysis shows that while the CSR input assistance from PT PLN has already had a significant positive impact, there are still some gaps when compared to the ideal conditions that could support the long-term growth of the Iwak Presto MSME. To address these gaps, further strategies are needed, including intensive training, equipment maintenance, and the potential procurement of additional equipment that better meets future needs.

### **C. CONCLUSION**

PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri has implemented a Corporate Social Responsibility (CSR) program in the form of mentoring for the Naik Kelas Iwak Presto MSME located in Wuryorejo Village, Wonogiri District, Wonogiri Regency, Central Java. This program is motivated by various challenges faced by MSMEs, particularly the food processing cluster in Wonogiri District, which is still significantly underdeveloped compared to other regions. In addition, PT PLN Indonesia Power UBP Mrica Unit PLTA of Wonogiri also recognizes the considerable potential of the fishery resources at Gajah Mungkur Reservoir, which is situated near the PLTA area.

The input components of this program include providing one set of production equipment and one set of packaging equipment to the Iwak Presto MSME. With this support, the productivity of the Iwak Presto MSME operators increased by 100.69%, and the capacity of the target group members improved to become local heroes. Although the positive impact has been significantly felt, the program still has some gaps when compared to the ideal conditions that could support the long-term growth of the Iwak Presto MSME. To address these gaps, complementary activities are needed, such as follow-up strategies that include intensive training, equipment maintenance, and the potential procurement of additional equipment better suited to future needs.

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