

THE EFFECTIVENESS OF GOVERNMENT ASSISTANCE IN PROMOTING ECONOMIC INDEPENDENCE THROUGH MICRO ENTERPRISES IN CENTRAL LOMBOK, WEST NUSA TENGGARA PROVINCE

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Abstract

This study evaluates the effectiveness of government assistance in increasing economic independence through micro-enterprises in Central Lombok, West Nusa Tenggara. Involving 200 respondents selected through stratified random sampling, the study reveals that 70% of aid recipients experienced an average income increase of 30%, and 65% felt the aid helped them expand their business. Statistical analysis shows a significant positive correlation between the amount of aid and economic independence (correlation coefficient 0.65, $p < 0.05$). Factors influencing the effectiveness of aid include access to capital, skill training, bureaucracy, and lack of mentoring. These findings highlight the need for a more holistic approach and sustainable support to maximize the impact of government assistance.

Keywords: Government assistance effectiveness, economic independence, micro-enterprises

Introduction

Economic independence is a key indicator of community welfare. In Indonesia, particularly in underdeveloped regions like Central Lombok in West Nusa Tenggara Province, economic independence is a primary target in various development programs. Economic independence encompasses individuals' ability to meet their living needs independently and the community's ability to contribute to overall economic development. According to Sen (1999), economic independence is the ability of individuals to determine and meet their own needs, including accessing and utilizing economic resources. In the context of micro-enterprises, economic independence can be defined as the ability of micro-entrepreneurs to run their businesses stably and grow without complete dependence on external assistance.

Micro-enterprises play a vital role in the local economic structure in Indonesia. Micro-enterprises often serve as the primary income source for many families, especially in rural areas. However, micro-enterprises face significant challenges, including limited access to capital, lack of business knowledge, and limited access to broader markets. According to Tambunan (2011), micro-enterprises in Indonesia face various obstacles hindering their growth and sustainability, such as limited access to capital and low levels of entrepreneurial education. In this context, government assistance is crucial. Government assistance programs, such as providing business capital, skill training, and marketing assistance, are designed to overcome these obstacles and promote economic independence through empowering micro-enterprises. According to Yunus