

Research Article

Empowerment of Rugby as the Economic Driver for the MSMEs: In Collaboration with the Indonesian Rugby Union (PRUI) West Java

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Abstract.

Prior literatures have found the beneficial impact of hosting sports event in enhancing economic growth, especially by applying the empowerment concept. Given the rationale, this study sets Garut City as one of the Indonesian cities, as a research object to explore how hosting sports events can empower the SMEs in enhancing their business growth. This study focuses on hosting Rugby events as a medium to empower the SMEs and to further introduce Rugby to the local community. This research employed qualitative approach using a participatory technique. This study aims to dig deeper into information related to the current issue faced by the SMEs, to collect more insights about alternative solutions, and finally to give empowerment programs as the solution for those issues. The following were the three main steps used in the empowerment program, counseling, training, and mentoring stages. These stages help the SMEs to gather more information, knowledge, and skills in running their business and are expected to help in enhancing their business performance in terms of their financial performance and business sustainability in the future.

Keywords: Rugby, sports, MSMEs, empowerment, economic development

1. Introduction

The sports industry is a veritable sunrise industry [1]. In recent years, sport are used as one of the economic development tools [2]. The sports industry is a multi-million dollar industry with a complex network of wealthy individuals and clubs, media rights, merchandise, sponsorship deals, and lucrative player contracts [3]. In Australia's national sports and recreation industry strategy it is stated that the sports industry has contributed to significant economic and social improvement. It was further explained that the sports industry includes the following sectors; 1) Professional services consisting of fitness center operations, professional trainers and athletes, and sports medicine; 2) Venues and Events consisting of planning, construction, and management; 3) Goods

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Published 30 October 2023

Publishing services provided by
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Selection and Peer-review under the responsibility of the 5th Sores Conference Committee.

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and Equipment consisting of supply, manufacture and marketing; 4) Media consisting of print, television, cable, satellite, and the internet [4].

Sport is not apart from the health, social, and economic realities that shape our space. Society influences sports and as well, sport influences society. The current impasse in West Indies cricket, demonstrates how corporate competition can spill over into sports, with detrimental effect [3]. Sports can provide both direct and indirect benefits. The direct benefits that a person gets when exercising include health, pleasure and physical fitness. Health refers to both physical and mental health. Sports nourishes the heart, blood vessels, improves physical fitness and endurance. Compared with active people, less active people are more at risk of various types of diseases. A study found that a sedentary lifestyle, especially sitting and watching television for long periods of time is associated with an increased risk of several chronic diseases [5]. A recent study also found that people who were inactive for at least two years before the pandemic were more prone to undergoing intensive care due to Covid-19, compared to other modifiable risk factors such as smoking, obesity or hypertension, physical inactivity was the strongest risk factor in among others [6]. The contribution of sports to mental health has also been scientifically proven, one of which is research showing that 150 minutes of physical activity per week can reduce symptoms of depression and anxiety [7].

The indirect benefits of long-term sport include character building, social capital, economic benefits [8], and psychological well-being. At the individual, family and community level, sport can be an effective medium for character building because its activities contain values of cooperation, discipline, upholding justice, honesty and various other positive values. Sport is an effective means of integration for individuals to always be in society. In short, sport is implicitly or explicitly able to promote inclusion as well as social cohesion which is also an element of social capital. Social capital is the degree of social cohesion that exists in a community [9]. It refers to processes between people that build networks, norms, and social trust, and facilitate mutually beneficial coordination and cooperation.

Sport also contributes economically to society [8]. Sport has great potential to contribute to the industrial sector, both the sports industry itself and the sports tourism industry. As an illustration, in 2020 the Ministry of Industry noted that the number of medium and large-scale sports equipment industries in Indonesia was 66 business units and had absorbed a workforce of up to 11,626 people. Various sporting events that also bring in many tourists also contribute to sports economically through sport tourism [10].

Those facts than attract the authors' interest to conduct a research that can enhance the benefit of hosting sport events in improving the economy of MSMEs in West Java,

especially in Garut Regency. Through the Rugby event, the author makes sporting events a medium for empowering MSMEs. Rugby is a rising sport that has a great potential in increasing the Indonesian economy. But since Rugby is quite new in Indonesia, Rugby is not too much known by our society. So, it is a great opportunity for us to introduce Rugby introducing Rugby to the wider community as well as making it a medium for empowering MSMEs in developing business performance.

2. Literature Review

Sport is defined as all forms of physical activity. The meaning is quite simple but very broad. Physical activity and health are important elements in improving the quality of human life where this can be achieved through sports and active living. An active lifestyle is a necessity to achieve physical activity and good health. Housework, gardening, and various human-powered activities are carried out with passion. An active lifestyle is also shown by the use of transportation that activates our bodies, such as: walking or using a bicycle to the office, using the stairs, and so on. Achievements in sports consist of active recreation through exercise, play, dancing, walking and cycling aimed at filling spare time. Participating in sports activities in organizations that involve formal participants, there is a structure of competitive activities, requires talent development, and competitions at an international level. Achievements can also be obtained through informal sports such as street sports, playing equipment and other facilities that are not structured as sports activities. This meaning is the basis for the development of sports and physical activities that aim to increase community participation in sports and physical activities and expand the reach and reduce inequality in participation which must take precedence over groups [11].

Based on this meaning, the development of sports and physical activity can be carried out which includes 5 development themes consisting of; 1) Enhancing The Sporting Infrastructure, a program that aims to develop a world-class sports system, a unifying network of organizations and opportunities for people to start, stay and succeed in sport; 2) Developing education and skills, this program aims to utilize sports and physical activities within the scope of learning and workplaces to increase lifelong learning and participation in sports for personal and economic benefits; 3) Improving Health And Well Being, this program aims to utilize sport and physical activity in improving physical, social and mental health and a healthy society centered mainly on these two areas with great health needs and inequalities; 4) Benefiting The Economy, this program aims to utilize sports and physical activity in contributing to economic growth through increasing

the attractiveness and skills of the person, developing the attractiveness of sports and physical activity to invest in, utilizing sports to give a positive impression; 5) Creating Stronger And Safer Communities, this program aims to use sports and physical activities to unite the community, open up local skills, help people from risk to adopt a positive lifestyle [11].

3. MSMEs Empowerment

The informal business sector which is also known as micro, small and medium enterprises (MSMEs) in Indonesia has long been a sector that contributes quite a lot to economic growth. People often misinterpret MSMEs. The slanted view that MSMEs will not last long because of limited capital is quite often heard. The independence of MSMEs, which do not depend on anyone, makes this industry tend to be resistant to various kinds of crises, such as the one that hit Indonesia in 1998 and 2008. At that time, the value of the rupiah currency was quite depreciating against foreign currencies.

According to Lawson [12] there are three keys to empowerment, namely power, resources, and collaboration, both at the theoretical and practical levels. Empowerment is a new channel of power. When power is limited then empowerment will not be channeled, and when power is unlimited then empowerment will share it. This is where the real empowerment lies, that the power possessed will be channeled and divided through empowerment. Resources are everything related to power. These resources include money, which is not related to money, network assistance, and other communities, especially those with power and authority.

The government and the private sector through various assistance programs often offer access to capital for MSMEs spread throughout Indonesia. However, not all MSMEs can get it. This is due to the traditional concept that is still widely embraced by the MSMEs. Academics, through various community service programs, are one of the absolute tridharmas for universities to help MSMEs get out of the trap. Tradition concept sometimes can be an advantage or characteristic of certain MSMEs, especially in rural areas and products with a regional concept. However, on the other hand, the traditional methods used by MSMEs in making products, thinking concepts, and management often clash with various prerequisites for access to public and private capital. This causes many MSMEs to have difficulty in accessing the required capital.

Universities, through their lecturers, often have service programs aimed at changing the traditional concepts that bind MSMEs to continue to grow. An example that is often done is by creating a tool for making MSME products that can be run automatically to

replace manual processes that require a lot of money, time and often for food products, causing the product expiration date to be short [8].

In addition, what is often done is to provide knowledge of simple financial statements which are the main requirements for government and private parties in applying for soft loans or capital grants. Because without informative financial reports, creditors from the government and the private sector can know the credibility, financial position and also the potential for business continuity. Marketing is also an obstacle for MSMEs in rural areas.

Even though the flagship product of MSMEs has the potential to be global, because there are no MSMEs in other parts of the world that produce them, often not many people know about it. Through marketing programs through electronic media that can be accessed globally and assisted by university lecturers in making it. In the end, the whole world is expected to become the target market for these MSME products [13].

4. Research Method

This study use descriptive qualitative approach using participatory techniques. Qualitative secondary data analysis is carried out in a way based on the theory contained in the framework, which can be applied to the focus of the problem [14]. This research is a part of community service program that is aimed to fostering knowledge and public interest in sports, especially Rugby and to enhance the economic development of Micro, Small and Medium Enterprises (MSMEs). MSME partners who are part of the service team totaling 20 MSMEs who sell daily around the Kerkoff sports area, Garut Regency. Those MSME sells foods and beverages.

This study uses participatory technique where the objects are empowered using 3 stages: counseling, training and mentoring.

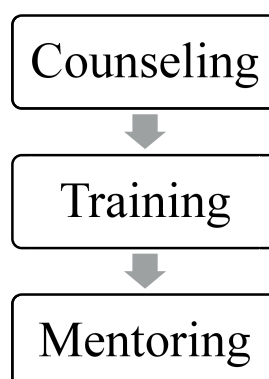


Figure 1: Empowerment Stages.

In the stage of counseling, the MSMEs are given information about the importance of training to optimize their business and marketing activities. Then, in the stage of training, the MSMEs are given training that is relevant to the MSME needs. In the last stage, the mentoring stage was carried out by the research team in the rugby match event which lasted for four consecutive days. During this assistance, the service team continues to evaluate the performance of the MSMEs every day, especially related to their financial performance.

5. Results and Discussion

To get better understanding about the issues faced by the MSMEs at Lapangan Merdeka Kerkoff where the Rugby match was held, the service team conducted a preliminary survey and got the following results:

1. The turnover of MSMEs when there is no sports or other events ranges between IDR 100,000 to IDR 1,000,000.
2. The turnover of MSMEs when there is sports or other events ranges from IDR 200,000 to IDR 3,000,000.
3. MSMEs profits between 20%-85%.
4. The business training needed by MSME actors there is:

50%: training about marketing business for products, product innovation and business premises

10%: training about product packaging and product display

5%: training about financing

Based on the survey result, the research team decided to give three types of training which are product marketing, place of business and finance. Then, as mentioned in the Methodology section, the empowerment program held for the MSMEs are divided into 3 stages as below.

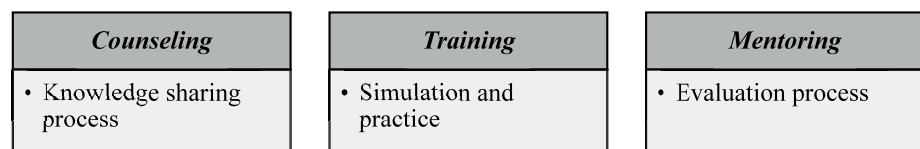


Figure 2: Empowerment Process.

5.1. Counseling Program

In this stage, the participants are given understanding about the importance of promotion and financing for their business.



Figure 3: Counseling Program.

During this activity, MSMEs were enthusiastic to follow the explanation from the research team and hoped that the team could provide input to resolve the problems that had occurred so far.

5.2. Training Program

This program was carried out through teaching and discussion method. The MSMEs are given a module about marketing and financing. In this section, they learned about the pattern of Saving, Investment and Protection in carrying out their financial planning by performing simple calculations and explanations that could be easily understood by them.

In this program, they discussed the issues faced by them during running their business with the trainer so they can get the better solution for their problem. They also can immediately put into practice the information they obtained based on the module so that the application of theory and practical activities can be carried out simultaneously.



Figure 4: Training Program.

5.3. Mentoring Stage

This mentoring stage was held to make sure that the MSMEs can apply the knowledge they got from the training stage and to give them a guideline to practice the theory from the module.



Figure 5: Mentoring Program.

In the end of this stage, the research team will evaluate the financial performance of each MSME to compare the MSMEs performance before and after the empowerment

program. The result reveals that during four days of these Rugby and empowerment events held, most of them experienced a significant increase in their turnover where on average they could increase their turnover by 56.37%. This value is quite high compared to the income they have when there is no sport event or hold in that place.

6. Conclusion

MSMEs empowerment activities in collaboration with PRUI West Java in the procurement of the West Java BK Porprov Rugby event as an effort to introduce Rugby sports and empower and drive the community's economy are going well. The empowerment program was carried out in three stages, namely counseling, training and mentoring. During the outreach activities, it illustrates that these business actors need training in the fields of marketing, packaging and finance, so that in the training stage, the service team provides training according to demand. In the last stage, namely mentoring and evaluation for three days, the results showed an average revenue increase of 56.37% from other event activities.

In the future, it is hoped that many parties will assist in the empowerment program, especially for MSMEs. Collaboration from all parties is needed so that the implementation of this empowerment activity can become a program that continues with a wider distribution of beneficiaries.

Acknowledgements

This research was supported by the Institute of Research and Community Service Universitas Islam Bandung (LPPM UNISBA).

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