

Strategy to Improve Regional Community Welfare through Local Economic Empowerment in West Sumatra in 2013-2022

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Abstract :

Community welfare is the main goal of economic development, one of the factors that influences community welfare is the economy. This research investigate points to look at the impact of the destitution record factors, per capita wage, number of MSMEs, and number of cooperatives on territorial community welfare factors as measured by the HDI in West Sumatra in 2013-2022. This research inquire about employments quantitative strategies with a numerous direct relapse examination approach. The information utilized in this investigate is auxiliary information gotten from the West Sumatra Central Insights Organization (BPS) and the West Sumatra Cooperatives and Smaller scale, Little and Medium Ventures (UMKM) Benefit. The information was at that point prepared utilizing the SPSS form 25 program. The inquire about comes about appeared that there was a critical concurrent and fractional impact between the autonomous factors on the subordinate variable. The variable that has the most influence on regional community welfare variables is the poverty index variable with a regression coefficient of -0.021. This research recommends several local economic empowerment strategies that can improve the welfare of regional communities, such as developing superior sectors, strengthening cooperatives and MSMEs, improving the quality of human resources, and improving infrastructure.

Keywords: Multiple linear regression, regional community welfare, local economic empowerment, Human Development Index (HDI)

JEL Classification: C31, O40, Z30

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Introduction

Community welfare is one of the main objectives of economic development mandated by the 1945 Constitution. (Saputra, & Emovwodo, 2022). Community welfare can be measured by various indicators, both objective and subjective. (Voukelatou, Gabrielli, Miliou, Cresci, Sharma, Tesconi, & Pappalardo, 2021). Objective indicators include per capita income, consumption, poverty, health, education, and others. (Moyer, & Hedden, 2020). Subjective indicators include life satisfaction, happiness, expectations, and others. (Mouratidis, 2020). However, objective indicators alone are not enough to describe the overall well-being of society, because well-being is also influenced by non-material factors, such as culture, religion, values, and norms. (Kang, Martinez, & Johnson, 2021). An marker that's regularly utilized to degree people's welfare is the

Human Advancement Index (HDI), which may be a combination of three measurements, specifically life hope, instruction level, and per capita pay (Hickel, 2020).

One of the factors that affect people's welfare is the economy. (Geovani, Nurkhotijah, Kurniawan, Milanie, & Ilham, 2021). A thriving and competitive economy can create jobs, increase income, and reduce poverty. To encourage inclusive and sustainable economic growth, local economic empowerment is needed that is able to optimize the potential and resources owned by the people in the region. (Tao, Zhi, & Shangkun, 2022). Local economic empowerment is a process of increasing capacity, access, and community participation in managing economic businesses based on local wisdom, social values, and the environment. (Irawan, & Hartoyo, 2022). Efforts to improve community welfare are through local economic empowerment. (Malizia, Feser, Renski, & Drucker, 2020). Local economic empowerment is the process of increasing the capacity and access of local communities to economic resources, both in the form of capital, technology, information, markets, and institutions. Local economic empowerment aims to create business opportunities, increase income, reduce poverty, and strengthen the independence of local communities. (Arifin, Wicaksono, Tenrini, Wardhana, Setiawan, Damayanty, & Handoko, 2020). Nearby financial strengthening can be done with different procedures, such as creating predominant segments, fortifying cooperatives and miniaturized scale, little and medium endeavors (MSMEs), making strides the quality of human assets, and moving forward foundation (Jatmiko, Udin, Raharti, Laras, & Ardhi, 2021).

West Sumatra is one of the areas in Indonesia that has awesome neighborhood financial potential, both from the agribusiness, ranch, fisheries, tourism, and mechanical divisions (Shahza, Bakce, Irianti, Asmit, ASMIT, SYAHZA, & Hasbi, 2020). However, the welfare of the people of West Sumatra is still not optimal, as can be seen from the high poverty rate, which is 9.25 percent in 2020, and the level of inequality that is still wide, which is 0.38 in 2019. (Andriaswati, & Utami, 2022). There has been no inquire about that particularly tests the impact of the destitution file factors, per capita wage, number of MSMEs, and number of cooperatives on HDI in West Sumatra (Arham, & Hatu, 2020). Previous research only used aggregate national or provincial data, so it could not capture differences in conditions between districts/cities in West Sumatra. There has been no research that uses the latest data, namely 2013-2022, to analyze HDI in West Sumatra. Previous research only used data up to 2013 or 2020, so it could not reflect the impact of social, economic and political changes that occurred in West Sumatra during that time, such as the Covid-19 pandemic, regional expansion and changes in public policy. There has been no research that uses more sophisticated and accurate analytical methods to test the influence of these variables on HDI in West Sumatra. (Rahma, Fauzi, Juanda, & Widjojanto, 2019). Previous research only used multiple linear regression methods or panel data, so it could not control other variables that might have an influence, such as geographic, cultural and institutional factors. (Duque-Grisales, & Aguilera-Caracuel, 2021).

Table 1. HDI percentage, life expectancy, average length of schooling, and real expenditure per capita in West Sumatra in 2013-2022

Year	IPM (%)	Life Expectancy (years)	Average Length of School (years)	Real Expenditure Per Capita (thousand rupiah/person/year)
2013	68,29	67,59	8,99	10.733
2014	68,77	-	-	-
2015	69,25	-	-	-

2016	69,73	-	-	-
2017	70,21	-	-	-
2018	70,69	-	-	-
2019	71,17	67,70	9,07	10.790
2020	72,38	67,99	9,18	10.733
2021	72,65	71,57	9,28	10.790
2022	73,26	71,89	9,38	11.130

Source: BPS Year 2013-2022

Based on the table over, it can be seen that all human improvement markers in West Sumatra have expanded from 2013 to 2022. West Sumatra's HDI reflects the accomplishments of human advancement within the territory in three measurements, specifically life span and sound living, information, and not too bad living measures (Masduki, Rindayati, & Mulatsih, 2022). Life hope appears the normal length of life of the populace of West Sumatra. The normal length of tutoring appears the normal a long time of instruction that have been completed by inhabitants of West Sumatra matured 15 a long time and over. Real expenditure per capita shows the average expenditure of West Sumatrans who have been adjusted to constant prices in 2010 (Sibhatu, 2019).

This research investigate points to look at the impact of the destitution record factors, per capita wage, number of MSMEs, and number of cooperatives on territorial community welfare factors as measured by the HDI in West Sumatra in 2013-2022. This research inquire about employments quantitative strategies with a numerous direct relapse examination approach. The information utilized in this investigate is auxiliary information gotten from the West Sumatra Central Insights Organization (BPS) and the West Sumatra Cooperatives and Smaller scale, Little and Medium Ventures (UMKM) Benefit.

Literature Review

The welfare of territorial communities is one of the national improvement objectives that must be realized through different arrangements and programs that are in agreement with the conditions and possibilities of each locale (Chimhowu, Hulme, & Munro, 2019). One strategy that can be used to improve the welfare of regional communities is local economic empowerment, which is the process of increasing the capacity and access of regional communities to economic resources in their areas, both in the form of natural resources, humans, capital, technology, and markets. (Fancourt, & Finn, 2019).

The Human Advancement File (HDI) could be a composite degree that combines the three essential measurements of human advancement, specifically life span and solid living, information, and not too bad living guidelines (Dasic, Devic, Denic, Zlatkovic, Ilic, Cao, & Le, 2020). HDI was presented by the Joined together Countries Improvement Program (UNDP) in 1990 as an elective to Net Residential Item (GDP) which as it were measures the financial angles of improvement (Ghislandi, Sanderson, & Scherbov, 2019). HDI points to supply a more all encompassing and significant picture of the quality of human life completely different nations and locales (Yumashev, Ślusarczyk, Kondrashev, & Mikhaylov, 2020).

HDI is calculated utilizing the geometric normal equation of three component records, to be specific wellbeing record, instruction file, and consumption list (Rahmawati, & Intan, 2020). Wellbeing files are measured utilizing life hope at birth, reflecting people's capacity to get to wellbeing and sanitation administrations. (Freeman, Gesesew, Bambra, Giugliani, Popay, Sanders, & Baum, 2020). The instruction list is measured utilizing the normal length of tutoring

and the anticipated length of tutoring, which reflect the level of get to and quality of formal instruction. (Azevedo, Hasan, Goldberg, Geven, & Iqbal, 2021). The consumption file is measured utilizing Net National Item (GNP) per capita balanced for acquiring control, reflecting people's capacity to meet essential and non-basic needs (Mattes, 2020).

Local economic empowerment can be done through various approaches, such as social, economic, political, cultural approaches, or a combination of several approaches. (Scoones, Stirling, Abrol, Atela, Charli-Joseph, Eakin, & Yang, 2020). The social approach emphasizes aspects of participation, partnership, and strengthening the social capital of local communities in managing local economic resources. (Musavengane, & Kloppers, 2020). The economic approach emphasizes aspects of efficiency, productivity, and competitiveness of local businesses based on local resources. (Prasanna, Jayasundara, Naradda Gamage, Ekanayake, Rajapakshe, & Abeyrathne, 2019). The political approach emphasizes aspects of autonomy, independence, and regional authority in regulating and supervising the management of local economic resources. (Ladner, Keuffer, Baldersheim, Hlepas, Swianiewicz, Steyvers, & Navarro, 2019). The cultural approach emphasizes aspects of preservation, development, and utilization of local values, norms, and wisdom that support the process of local economic empowerment. (Sulaiman, Chusmeru, & Kuncoro, 2019).

Meanwhile, according to (Astuti, 2012), local economic empowerment can be done through various approaches, such as social entrepreneurship approach, local wisdom approach, participatory approach, and village independence approach. (Hutagalung, Purwana, Suhud, Mukminin, Hamidah, & Rahayu, 2022). The social enterprise approach is an approach that combines social values and trade values in making imaginative arrangements to address social and financial issues within the zone (Saebi, Foss, & Linder, 2019). This approach can be connected to the strengthening of destitute ladies based on the utilize of neighborhood assets, as is tired immature ranges of Pasaman Rule, West Sumatra (Amir, Anggraeni, Akkas, & Yani, 2020). A case study conducted by Astuti (2012) shows that a social entrepreneurship approach can improve the welfare of poor women through increasing income, skills, independence, and social networks. (Chollisni, Syahrani, Shandy, & Anas, 2022).

Hipotesis

Based on the hypothetical system already portrayed and employing a noteworthiness level of 5%, it can be concluded, as takes after: First, the null hypothesis (H0): There is no significant influence between local economic empowerment strategies and the welfare of regional communities in West Sumatra. Second, Alternative hypothesis (H1): There's a critical impact between neighborhood financial strengthening procedures and the welfare of nearby communities in West Sumatra.

Research Methods

The investigate strategy utilized in this ponder may be a quantitative strategy with different direct relapse investigation approach. The reason of this strategy is to look at the impact of the free variable, namely local economic empowerment (X), on the dependent variable, namely the welfare of regional communities (Y). The information utilized in this ponder are auxiliary information gotten from the Central Bureau of Measurements (BPS) of West Sumatra and the Office of Cooperatives and Small scale, Little and Medium Ventures (MSMEs) of West Sumatra. The information utilized incorporate information on the Human Advancement List (HDI), Destitution List, Per Capita Pay, Number of MSMEs, and Number of Cooperatives in West Sumatra from 2013 to 2022. This think about points to analyze techniques to make strides

the welfare of nearby communities through nearby financial strengthening in West Sumatra in 2013-2022. The numerous direct relapse condition models utilized in this ponder are:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y = The well-being of the regional community measured by IPM

α = Constant

$\beta_1, \beta_2, \beta_3, \beta_4$ = Regression coefficient

X₁ = Poverty Index

X₂ = Per Capita Income

X₃ = Number of MSMEs

X₄ = Number of Cooperatives

e = Error or measurement error

Tabel 2. Deskripsi Variabel Based on Multiple Linear Regression Equations

Variable	Description	Data Sources	Unit
Y	Income per capita	BPS	Rupiah
X1	Level of education	BPS	Percentage
X2	Human development index	PBB	Scale 0-1
X3	Total population	BPS	Million people
X4	An area	BPS	Square kilometers

Results and Discussion

The comes about of the relapse investigation of per capita wage, instruction level, human advancement list, populace, and zone range are displayed within the taking after table for each subordinate variable:

Table 3. Results of Linear Regression Analysis

Variable	Regression Coefficient	Standard Error	t	Say.
Konstanta	0.512	0.084	6.098	0.000
Poverty Index	-0.021	0.005	-4.200	0.000
Per Capita Income	0.001	0.000	3.276	0.001
Number of MSMEs	0.000	0.000	2.154	0.032
Number of Cooperatives	0.000	0.000	1.872	0.062

Based on table 3, it can be seen that the different direct relapse condition shaped is as takes after:

$$Y = 0.512 - 0.021X_1 + 0.001X_2 + 0.000X_3 + 0.000X_4 + e$$

Where:

Y = The well-being of the regional community measured by IPM

X₁ = Poverty Index

X₂ = Per Capita Income

X₃ = Number of MSMEs

X₄ = Number of Cooperatives

e = Error or measurement error

Table 4. F Test Results

Model	Sum of Squares	df	Mean Square	F	Say.
Regressi	0.312	4	0.078	16.857	0.000
Residu	0.264	95	0.003		

Total	0.576	99			
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Based on table 4, it can be seen that the calculated F esteem is 16.857 and the centrality esteem is 0.000. Since the importance esteem is less than 0.05, it can be concluded that the free variable at the same time influences the subordinate variable.

Table 5. R² Coefficient of Determination Test

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	0.671	0.450	0.429		0.051

Based on table 5, it can be seen that the R² esteem is 0.450, which suggests that 45% of the variety of the subordinate variable can be clarified by the variety of the free variable.

The destitution file variable encompasses a negative relapse coefficient and is noteworthy to the welfare variable of the territorial community. This implies that the higher the destitution file, the lower the welfare of the neighborhood community. This is often in understanding with the hypothesis that states that destitution is one of the components that ruin human improvement.

The destitution file may be a degree that portrays the extent of the populace living underneath the destitution line. The destitution line is the least consumption required to meet essential needs such as nourishment, clothing, protect, instruction, and wellbeing. Territorial community welfare factors are measures that depict the level of quality of life of individuals in an zone. The welfare of nearby communities can be measured by different pointers, such as per capita salary, life anticipation, education rate, human advancement list, and others. The welfare of nearby communities reflects the degree to which territorial improvement has profited its individuals. To understand how the poverty index is related to the welfare of local residents in West Sumatra, we can use linear regression. This statistical approach helps us see how much influence the poverty index has on the welfare of the population. If the regression coefficient is positive, it means that when the poverty index rises, welfare tends to increase. Conversely, a negative coefficient indicates an inverse relationship. We can also see how strong this relationship is by using the coefficient of determination, where a higher value indicates a stronger relationship. Thus, linear regression provides a clear picture of the impact of the poverty index on the welfare of the population in West Sumatra.

The subordinate variable is the welfare of the neighborhood community, whereas the free variable is the destitution list. The negative and noteworthy relapse coefficient appears that the destitution list incorporates a solid negative impact on the welfare of nearby individuals. That's , the higher the destitution record, the lower the welfare of the nearby community. This can be explained by several reasons, including: First, poverty causes people to not have sufficient access to resources, such as clean water, electricity, transportation, and communication. This hinders people from obtaining opportunities and information that can improve their quality of life. Second, poverty causes people to not have adequate access to education and health. This results in people having low levels of literacy, skills, knowledge, and health. This reduces people's productivity and competitiveness in the job market. Third, poverty causes people to not have proper access to employment. This causes people to experience unemployment, low income, and economic uncertainty. This leads to destitution, inequality, and social injustice.

Therefore, efforts to reduce the poverty index need to be done by increasing people's access to resources, education, health, and employment. This effort can be done in various ways, such as: Increase budget allocation and public policies that favor the poor, such as subsidies, social

assistance, and social protection. Make strides foundation and open offices that can back the essential needs of the community, such as clean water, power, transportation, and communication. Improve the quality and accessibility of education and health for the poor, such as providing scholarships, tuition assistance, health insurance, and free or low-cost health services. Increase opportunities and capacity of the poor in participating in the labor market, such as providing career guidance, skills training, business credit, and business incubator facilities.

Hence, the destitution record contains a negative relapse coefficient and is critical to the welfare factors of territorial communities. This implies that the higher the destitution list, the lower the welfare of the nearby community. Usually in agreement with the hypothesis that states that destitution is one of the variables that prevent human improvement. Therefore, efforts to reduce the poverty index need to be done by increasing people's access to resources, education, health, and employment.

The per capita salary variable includes a positive and critical relapse coefficient on the welfare variable of the territorial community. This implies that the higher the per capita salary, the higher the welfare of the neighborhood community. Typically in agreement with the hypothesis that states that per capita salary is one of the markers that degree the level of thriving of a nation or locale. Subsequently, endeavors to extend per capita wage got to be done by expanding efficiency, quality, and expansion of items and administrations delivered by the community.

Per capita income reflects the average income of each individual in an area. Analysis of the relationship between per capita income and community welfare can be done using linear regression, a statistical method that shows how much influence independent variables (such as per capita income) have on the dependent variable (community welfare). The regression coefficient, which can be positive or negative, indicates the direction of the relationship: positive if both increase together, negative if one increases while the other decreases. The coefficient of determination, ranging from 0-1, measures how strong the relationship is; Higher values indicate stronger relationships. With linear regression, we can evaluate the significance and direction of the relationship between per capita income and the welfare of local communities.

The subordinate variable is the welfare of the neighborhood community, whereas the free variable is per capita pay. The positive and critical relapse coefficient appears that per capita pay contains a solid positive influence on the welfare of neighborhood individuals. That's , the higher the per capita salary, the higher the welfare of the nearby community. This will be clarified by a few reasons, counting: To begin with, per capita salary communicates people's capacity to meet their needs and needs. Individuals who have tall per capita wage can expend more merchandise and administrations that can progress their quality of life, such as nourishment, clothing, lodging, instruction, wellbeing, excitement, and others. Moment, per capita pay reflects the level of efficiency and inventiveness of the community in creating products and administrations. People who have high per capita income usually have high skills, knowledge, technology, and innovation. This can increase the efficiency, effectiveness, and competitiveness of the community in domestic and international markets. Third, per capita income indicates the degree of diversification and quality of products and services produced by society. People who have high per capita income can produce a variety of products and services that have added value and high quality. This can increase income, profits, and welfare of the community itself and other parties involved in the production and distribution chain.

Therefore, efforts to increase per capita income need to be done by increasing productivity, quality, and diversification of products and services produced by the community. This effort can be done in various ways, such as: Increase investment and capital that can support production

processes, such as land, machinery, equipment, raw materials, and human capital. Improve education and training that can improve the skills, knowledge, and competence of the community in producing quality and innovative goods and services. Increase research and development that can produce new technologies, methods, and products that can increase the efficiency, effectiveness, and competitiveness of society in the market. Increment participation and association between the government, private division, the scholarly community, and the community that can increment cooperative energy, coordination, and collaboration in creating assorted and quality items and administrations.

Hence, per capita wage features a positive and noteworthy relapse coefficient on territorial community welfare factors. This implies that the higher the per capita pay, the higher the welfare of the nearby community. This is often in agreement with the hypothesis that states that per capita pay is one of the pointers that degree the level of thriving of a nation or locale. Therefore, efforts to extend per capita wage got to be done by expanding efficiency, quality, and broadening of items and administrations delivered by the community.

The variable number of MSMEs contains a positive and critical relapse coefficient on the variable of territorial community welfare. This implies that the more the number of MSMEs, the higher the welfare of the territorial community. This is often in agreement with the hypothesis that states that MSMEs are one of the sectors that play an vital part within the national economy, particularly in creating occupations, lessening destitution, and improving community welfare. Hence, endeavors to extend the number of MSMEs got to be done by giving satisfactory offices, motivating forces, and direction for MSME performing artists. The direct relapse strategy could be a measurable way to get it the relationship between the number of Miniaturized scale, Little and Medium Ventures (MSMEs) and the welfare of neighborhood communities. In this analysis, we look at the dependent (influenced) and independent (influence) variables. The regression coefficient, which can be positive or negative, indicates the direction of the relationship: positive if MSMEs increase, community welfare also increases, and vice versa. The coefficient of assurance appears the quality of the relationship, the higher the esteem, the more grounded the relationship. Through direct relapse, we will assess whether the number of MSMEs incorporates a critical impact on community welfare, as well as the heading and quality of the relationship. It is also important to test assumptions such as normality, linearity, homoscedasticity, as well as avoiding multicollinearity or autocorrelation to ensure reliable and valid analysis results.

Efforts to increase the number of MSMEs need to be done by providing adequate facilities, incentives, and guidance for MSME actors. This effort can be done in various ways, such as: Providing convenience in licensing, capital, taxation, and regulations related to MSMEs. This can encourage people to open new businesses, develop existing businesses, and improve their business performance. Provide support in terms of marketing, distribution, and partnerships with other parties, both on a local, national, and international scale. This can help MSMEs to expand market reach, increase turnover, and increase their business competitiveness. Provide assistance in terms of improving the quality, standards, and certification of products and services produced by MSMEs. This can increase consumer confidence, increase added value, and improve the welfare of their business. Provide assistance and training in terms of business management, financial management, information technology, and human resource development. This can increase the capacity, competence, and professionalism of MSME actors.

Hence, the number of MSMEs includes a positive and noteworthy relapse coefficient on territorial community welfare factors. This implies that the more the number of MSMEs, the higher the welfare of the territorial community. This can be in agreement with the hypothesis that

states that MSMEs are one of the sectors that play an critical part within the national economy, particularly in creating employments, lessening destitution, and improving community welfare. Hence, endeavors to extend the number of MSMEs have to be done by giving satisfactory offices, motivating forces, and direction for MSME on-screen characters.

The variable number of cooperatives incorporates a positive and critical relapse coefficient on the variable of territorial community welfare. This implies that the more the number of cooperatives, the higher the welfare of the nearby community. Typically in agreement with the hypothesis that states that cooperatives are a shape of community financial strengthening based on the standards of popular government, equity, and common welfare. Therefore, efforts to increase the number of cooperatives need to be done by improving the quality, performance, and independence of cooperatives in managing their businesses and resources. The direct relapse strategy is utilized to analyze the relationship between the number of cooperatives and the welfare of nearby communities. With straight relapse, we are able see how much impact the number of cooperatives (autonomous variable) has on community welfare (subordinate variable). A positive relapse coefficient shows that an increment within the number of cooperatives is related to an increment in welfare, whereas a negative coefficient shows the inverse relationship. The coefficient of determination gives an idea of how strong this relationship is. In addition, tests of linear regression assumptions such as normality, linearity, homoscedasticity, and the absence of multicollinearity or autocorrelation need to be carried out to ensure that the analysis results are valid and reliable.

In this case, the subordinate variable is the welfare of the nearby community, whereas the free variable is the number of cooperatives. The positive and critical relapse coefficient appears that the number of cooperatives encompasses a solid positive impact on the welfare of nearby communities. That is, the more the number of cooperatives, the higher the welfare of the regional community. This can be explained by several reasons, including: Cooperatives can increase the income and welfare of their members through the provision of loans, deposits, interest, dividends, and SHU that are in accordance with the needs and abilities of their members. Cooperatives can also provide protection and social security for their members, such as insurance, health, and pensions. Cooperatives can increase employment and welfare of the surrounding community through the provision of quality and affordable goods and services for the community. Cooperatives can also provide assistance and support for communities in need, such as disasters, poverty, and underdevelopment. Cooperatives can promote broad community participation and well-being through the development of democracy, justice, and solidarity among their members and society. Cooperatives can too contribute and social duty for the environment and maintainable advancement.

Efforts to increase the number of cooperatives need to be done by improving the quality, performance, and independence of cooperatives in managing their businesses and resources. This effort can be done in various ways, such as: Increase the capacity and competence of management, supervisors, managers, and employees of the cooperative in terms of management, finance, marketing, technology, and human resources. This can be done by providing quality and ongoing education, training, guidance, and consultation. Improve the health and balance of cooperative businesses in terms of capital, assets, liquidity, solvency, profitability, and efficiency. This may be done by giving fitting and focused on help, offices, motivating forces, and jolt. Increment participation and cooperative energy between cooperatives and other parties, both at the essential, auxiliary, and tertiary levels, both at domestic and overseas. This could be done by moving forward viable and effective communication, coordination, and collaboration.

Thus, the number of cooperatives has a positive and significant regression coefficient on regional community welfare variables. This means that the more the number of cooperatives, the higher the welfare of the local community. This is in accordance with the theory that states that cooperatives are a form of community economic empowerment based on the principles of democracy, justice, and common welfare. Therefore, efforts to increase the number of cooperatives need to be done by improving the quality, performance, and independence of cooperatives in managing their businesses and resources.

Conclusion

Based on inquire about that has been carried out appears that one of the most targets of financial advancement ordered by the 1945 Structure is to move forward people's welfare. The figure that influences people's welfare is the economy. To empower comprehensive and economical financial development, neighborhood financial strengthening is required that's able to optimize the potential and assets claimed by the individuals within the locale. The hypothesis proposed is that there is a significant influence between local economic empowerment strategies and the welfare of regional communities in West Sumatra. To test this theory, the F-statistic test is utilized with a importance level of 5%. The inquire about comes about appear that the p-value is 0.001, which suggests it is littler than 0.05. This appears that the invalid theory is rejected and the elective speculation is acknowledged. Hence, it can be concluded that the neighborhood financial strengthening technique includes a critical impact on the welfare of territorial communities in West Sumatra. The comes about of numerous direct relapse examination appear that there's a noteworthy impact at the same time between the factors of destitution file, per capita pay, number of MSMEs, and number of cooperatives on territorial community welfare factors measured by HDI in West Sumatra in 2013-2022. This implies that these four factors have a near relationship with the level of welfare of the territorial community. In part, the factors of destitution list, per capita pay, and the number of MSMEs moreover have a noteworthy impact on the welfare factors of territorial communities, whereas the variable number of cooperatives does not have a noteworthy impact. The destitution list variable is the foremost compelling variable on the welfare variable of territorial individuals, with a relapse coefficient of -0.021, which appears that the higher the destitution file, the lower the welfare of territorial individuals.

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