

NOETNANA LIVESTOCK FARMER GROUP CAPACITY BUILDING STRATEGY IN FATUKOA VILLAGE BY BANK INDONESIA REPRESENTATIVE OF NTT PROVINCE TOWARDS MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) DIGITAL 4.0

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Abstract:

This research is descriptive research with a qualitative approach, which was carried out in the Noetnana Livestock Farmer Group in Fatukoa Village, Maulafa District, Kupang Regency, which is a group of livestock farmers assisted by the Representative Office of Bank Indonesia, NTT Province. The informants in this study were determined using a purposive technique, totaling 32 people, with primary and secondary data types collected through observation, interview, and document search techniques. The results of the study found that the strategy for developing the capacity of the Noetnana Livestock Farmers Group in Fatukoa Village by the Representative Office of Bank Indonesia in the Province of NTT towards Digital 4.0 MSMEs, the authors used the opinion of Thompson (2003) who developed the concept created by Parsons (1960), wherein (a) at the technical level, it was found that there was technical support in the form of policy, budget and program support provided by Bank Indonesia to the Noetnana Livestock Farmers Group to support MSMEs technically non-financially, such as mentoring & consulting assistance, infrastructure, motivation, and technology further on (b) At the managerial level, it was found that there was an allocation of personnel for each unit and function in supporting the capacity building of the Noetnana Livestock Farmers Group, while at (c) the institutional level, there was an increase in the group's institutional capacity.

Keywords: Clusters, Capacity Building, MSMEs

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INTRODUCTION

With the enactment of regional autonomy, regional governments have the broadest opportunity to explore and utilize the local potential of the people in their area. It is hoped that utilizing local potential will be sustainable because the community fully supports it. With community involvement that has been carried out since the planning and program determination stages, the programs undertaken follow the needs, interests, and desires of the community and follow regional conditions and community potential so that the community can genuinely feel the program's benefits. Besides that, involvement makes the community more knowledgeable, skilled, and insightful, understands the problems faced, and gets used to making their own decisions.

Supported by the feeling of belonging to the program, the community has a sense of responsibility to continue to run and develop it continuously (Renoati, 2003). In centralized development policies, this needs to be addressed. In this policy, the people only carry out orders from above, not having the freedom to participate in making decisions. As a result, the community becomes dependent, only waiting for orders, expecting assistance from outsiders, and needing more responsibility to develop the program in question, so the program becomes unsustainable (Renoati, 2003), so capacity building is needed.

Community capacity building is an effort to improve the capacity of the community itself. Suppose the community, as the party with the most interest, must fully understand the meaning of capacity-building and respond positively to the implemented efforts. In that case, inevitably, these efforts will not be as effective and successful as the objectives.

This ability can be carried out by people who are already independent. In this case, the community must be directly involved in every activity stage. Capabilities achieved through empowerment must include capabilities in planning, implementing, monitoring, and evaluating. Based on the results of the evaluation, it will be known that there are errors and constraints so that better results will be obtained than before. It is the essence of empowerment activities. An independent community can see opportunities and take advantage of all the potential. Therefore, BI is trying to support this great potential through the MSME development program through an industrial cluster approach.

MSMEs are a pillar of support from the impact of the downturn in the national economy because they can deal with a prolonged economic crisis. Based on data from the Ministry of Cooperatives and SMEs (2012), the number of MSMEs nationally was recorded at 56.53 million units, dominating more than 99% of the total business units by absorbing 97.6% of the workforce and contributing 57.48% to GDP while the data The Central Bureau of Statistics (BPS) in 2020 in aggregate the national economy is dominated by Micro, Small and Medium Enterprises (MSMEs) with a share of $\pm 90\%$ of the Gross Domestic Product (GDP).

By looking at the position, potential, and strategic role of MSMEs in realizing national economic stability, efforts from various parties, including Bank Indonesia, are needed to grow new competitive economic centers through MSME development programs through an industrial cluster approach. This program has been implemented since 2007 until now in all Bank Indonesia Domestic Representative Offices (KPw DN BI). The involvement of all KPw DN is one form of Bank Indonesia's role in the regions.

The term cluster is defined as a group of MSMEs operating in the same sector/sub-sector or as a concentration of companies interconnected from upstream to downstream (Work Guidelines for Cluster Implementation, 2010). The cluster program itself was started by Bank Indonesia in 2006 by carrying out a study on "Financing for Cluster Development." Then, it began to be implemented as a cluster development pilot project in 2007 in 5 (five) Bank Indonesia Representative Offices (Medan, Surabaya, Bandung, Semarang, and Serang). From 2009-2011, the cluster program was implemented in almost all KPw DN, and until 2013, it had been implemented in all KPw DN. The number of clusters that have been developed is 69, involving 8,607 MSMEs, and has increased production by an average of 35% per year and access to credit of IDR 104.32 billion.

In developing MSMEs, clusters are a comprehensive approach from upstream to downstream in increasing sector competitiveness. Bank Indonesia has also developed 134 clusters from 2007 to the end of 2014 in all BI Representative Offices, one of which is in the NTT Province, with national economic conditions recorded at a share of $\pm 99\%$ of the Gross Regional Domestic Product (GDP). Most of NTT's GRDP was contributed by Agriculture, fisheries, and forestry (LU) (29%). If looked at in more detail, the most immense contribution to the LU in question comes from the Livestock Sub LU, which is described in the figure below:



Source: Bank Indonesia Representative Office, NTT Province, 2023

Figure 1. Food Security Cluster of KPw BI NTT

In terms of livestock as the most significant source (LU), NTT Province has competitive advantages compared to other regions, including (1) the majority (60%) of the people of NTT are farmers and ranchers; (2) the majority of farmers already have cattle as a family inheritance and as a form of savings in the form of livestock; and (3) having a vast grass field for the availability of animal feed. Currently, the Representative Office of Bank Indonesia in NTT Province is fostering 7 (seven) Food Security Clusters located in several regions in NTT. Through the guidance provided, the cluster has contributed to controlling NTT's inflation by continuing to maintain production.

One of the areas in NTT Province which is the location of the MSME development program through the industrial cluster approach is the Neotnana Cattle Cluster in Fatukoa Village where strategic issues that characterize the living conditions of livestock farmers in this location can be inventoried as (1) Currently many farmers/breeders do not receive optimal added value from cattle farming; (2) It is necessary to optimize the quality and safety of livestock kept on a loose basis; (3) NTT Province is a sustainable supplier for beef needs in other areas such as Jakarta and Kalimantan; (4) Entrepreneurs in the business of sending cattle to outside the NTT area experience difficulties in competing for livestock shipments due to the minimum requirement for cattle entrepreneurs to have a Ranch of 50 Ha (Pergub NTT); (5) Livestock Farming Groups have not utilized Information



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Technology in the production and post-production processes; (6) Bank Indonesia is the Monetary Authority of Law no. 23 of 1999 concerning Bank Indonesia as amended by Law no. 6 of 2009, one of the main tasks of Bank Indonesia is to maintain monetary stability through controlling inflation.

Therefore, based on the explanation regarding the background mentioned above, the researcher is interested in conducting research with the title Noetnana Livestock Farmer Group Capacity Development Strategy in Fatukoa Village By the Bank Indonesia Representative Office, NTT Province Towards Micro, Small and Medium Enterprises (MSMEs) Digital 4.0 which will analyzed into three levels of organizational activity proposed by Thompson (2003), namely; (a) technical level, (b) managerial level and (c) institutional level.

Literature Review, Management. According to Afandi (2018), management is a process of cooperation between employees to achieve organizational goals after implementing the functions of planning, organizing, personnel, direction, leadership, and supervision. This process can determine the achievement of predetermined goals by utilizing human and other resources to achieve more efficient and effective results.

The definition of management according to Hasibuan (2016) suggests that "management is the science and art of managing the process of using human resources and other sources effectively and efficiently to achieve a certain goal."

Meanwhile, Terry (2010) explains, "Management is a distinctive process consisting of planning, organizing, actuating, and controlling actions to determine and achieve goals through the utilization of human and other resources."

Strategy. Strategy is an overall approach related to the idea, planning, and execution of an activity within a certain period. In a good strategy, there is the coordination of work teams, which has a theme of identifying supporting factors following the principles of implementing ideas rationally, efficiency in funding, and having tactics to achieve goals effectively (Tjiptono, 2000). Griffin in Anoraga (2009) states that strategy is a comprehensive plan to achieve organizational goals. (Strategic is a comprehensive plan for accomplishing an organization's goals).

Strategic Management. Strategic management is a process or series of primary and comprehensive decision-making activities, accompanied by a determination of how to implement them, made by the leadership and implemented by all levels within an organization to achieve goals. It is said that strategic management is a collection of actions that result in the formulation and implementation) of plans designed to achieve organizational goals (Pearch, 1997), while Fred (2004) strategic management is the science of formulating, implementing, and evaluating cross-functional decisions that enable the organization to achieve its goals.

Capacity Building. Brown (Rainer & Manfred, 2005) defines "Capacity building as a process that increases the abilities of persons, organizations or systems to meet its stated purposes and objectives." From this understanding, capacity building is a process that can improve the ability of a person, organization, or system's ability to achieve goals. At the same time, Gandara (2008) states that capacity building is a process to improve individuals, groups, organizations, communities, and society to achieve the goals that have been implemented.

From several expert opinions, the study of capacity building is generally agreed upon in individuals and organizations, although slight differences exist in the broader dimensions. However, when examined closely, the system context Brown et al. (2001), Morrison, (2001), Araya-

Quesada et al. (2010), community (Banyan, 2007), environment (OECD, 2008), institutions (Grindle, 1997; Horton et al., 2003) have the same orientation, namely how individual and organizational dimensions can interact with the environment in developing their capacities and systems. Moreover, the community is the organizational environment and individuals within the organization. Even on the dimension of institutional reform, Grindle (1997), according to Dill (2000), focuses on institutions and systems as a macrostructure. Grindle's concept is similarly mentioned by Horton et al. (2003), with the concept of national institutions that affect the micro level (individuals and groups) or meso level (organization).

At the micro level, which focuses on individuals and groups as a collection of individuals, capacity building focuses on providing professional and technical resources (Grindle, 1997; Dill, 2000; Horton et al., 2003). This opinion is reinforced by Klingner et al. (2003), who explains that professionalization can strengthen the capacity of public organizations with the availability of clear skills, supporting education and training pathways, and ethical standards. Skills, education and training, and ethical standards are essential criteria at the individual level. These professional indicators are related to individual and organizational performance effectiveness (Behrman et al., 2006).

METHODS

This research is descriptive research with a qualitative approach, which was carried out in the Noetnana Livestock Farmer Group in Fatukoa Village, Maulafa District, Kupang Regency, which is a group of livestock farmers assisted by the Representative Office of Bank Indonesia, NTT Province.

The informants in this study were determined using a purposive technique, totaling 32 people, with primary and secondary data types collected through observation, interview, and document search techniques.

The data that has been collected is then analyzed using data analysis techniques from Miles et al. (2014), namely analyzing data in three steps: (a) data condensation, (b) presenting data (data display), and (c) drawing conclusions or verification (conclusion drawing and verification).

RESULT AND DISCUSSION

Noetnana Livestock Farmer Group Capacity Building Strategy in Fatukoa Village by the Representative Office of Bank Indonesia NTT Province Towards Digital 4.0 MSMEs. The capacity development of the Noetnana Livestock Farmers Group in Fatukoa Village towards Digital 4.0 Micro, Small, and Medium Enterprises (MSMEs) by the Bank Indonesia NTT Representative Office, on the one hand, is through capacity building before collaborating with Bank Indonesia. It means that organizational capacity at both the technical, managerial, and institutional levels of Thompson (2003) must be able to develop according to the needs of the organization in realizing the goals that have been set with the results of research and discussion as follows:

1. Technical level. Part of the organization that can carry out functions in producing goods or services that convert inputs into outputs by preparing infrastructure at the regional level in the form of:



Provision of Policy, Budget, and Program Support. The results of the study found that from a policy perspective related to efforts to strengthen the Noetnana Livestock Farmer Group by Bank BI, we refer to Bank Indonesia Regulation No.14/22/PBI/2012 dated 21 December 2012 concerning Provision of Credit or Financing and Technical Assistance in the Context of Business Development Micro, Small, and Medium. The existence of this provision can encourage an increase in lending or financing by Commercial Banks to MSMEs while at the same time being able to encourage MSME access to financial institutions by strengthening their capabilities to encourage programs to accelerate the development of inclusive finance in favor of the MSME sector as one of the most important economic pillars in supporting national economy, as well as support for government programs that are oriented towards pro-growth, pro-poor, and pro-jobs.

Data and Information Preparation. The results of the study found that the capacity building of the Noetnana Livestock Farmer Group cluster by Bank Indonesia towards Digital 4.0 Micro, Small, and Medium Enterprises (MSMEs) will be suitable on target if it is compiled based on accurate data and needs according to the field context.

These data can later be used as a reference for setting targets that must be achieved in the region and become a pilot model for cluster development in other regions in Indonesia. Bank Indonesia has fulfilled it from a technical perspective on policies, budgets, programs, data, and information.

2. Managerial Level. Part of the organization that has the capacity and responsibility to design and control systems that produce goods or services for procuring inputs and creating outputs by:

Allocating Personnel for Each Unit and Function. Based on the results of observations and interviews conducted by the author, it is known that in terms of personnel allocation for each unit and function in supporting the capacity development of the Noetnana Livestock Farmer Group in Fatukoa Village towards Digital 4.0 Micro, Small and Medium Enterprises (UMKM) by the Provincial Bank Indonesia Representative Office In NTT, several stakeholders were identified in the survey including related ministries/agencies, local government, Bank Indonesia, banking, research centers, academics, learning centers, Technical Implementation Units (UPT), Agricultural, Fisheries and Forestry Extension Centers (BP3K), Agency Agricultural Fisheries and Forestry Extension Service (BP4K), and others.

In addition to the role of the initiator, this study proves that the mover of the Noetnana Livestock Farmer Group cluster in Fatukoa Village towards Digital 4.0 Micro, Small, and Medium Enterprises (MSMEs) is also an essential factor in driving the success of this cluster. The driving entities for this cluster are cooperatives, pioneering MSMEs, core companies, associations, and NGOs. Meanwhile, essential cluster activators who partner with each other, such as community leaders, universities, and research institutions, support capacity building requires skill and adequacy of staff (Eisinger, 2002).

Mapping and Integrating Program Targets. Representatives of Bank Indonesia Province of NTT took the initiative to develop the Noetnana Livestock Farmer Group program in 2014. Furthermore, cluster development is determined by a three-year strategic plan by modifying attitudes and behavior patterns with education or other means, changing social conditions by changing formal organizational policies, and reforming regulations and systems function of the local community.

The first year is the initiation stage, the second is the development stage, and the third is the independence stage. The stages of initiation are the potential identity of the livestock business, a letter of cooperation agreement between the cattle cluster entrepreneur and Bank Indonesia, usually called a Memorandum of Understanding (MoU), group empowerment, supporting facilities, assistance, and entrepreneurship. The second stage is the development stage, which includes strengthening institutions, supporting facilities, stabilizing bantek, managing product processing, establishing agricultural technology, and developing cooperatives. The third stage is the independence stage, which includes product processing efficiency, links to banks, and marketing.

Bank Indonesia takes several approaches to members of the Noetnana Livestock Farmers Group to reach the stage of independence. One of the approaches Bank Indonesia takes for cattle entrepreneur groups is assistance provided by the Representative Office of Bank Indonesia for the Province of NTT to achieve the work program's objectives for noetnana cattle group entrepreneurs, namely by achieving the stage of independence.

In this mentoring process, several aspects can be seen as benchmarks in obtaining results regarding the success of the work program implemented by Bank Indonesia and the Noetnana cattle cluster entrepreneur.

The final goal expected is to realize the independence of UMKM. MSMEs' independence can be achieved when MSMEs have maintained and prioritized the potential, capabilities, and independence of these MSMEs in running their business.

3. Institutional Level. It is the capacity of the organization that connects the organization with the broader environment, determines its domain, defines its boundaries, and secures its legitimacy by:

Capacity Building of Groups and Stakeholders. In this concept, capacity building by the Representative Office of Bank Indonesia in the Province of NTT must be able to influence the micro level (individuals and groups) or the meso level (organization). At the micro level that focuses on individuals and groups as a collection of individuals, capacity building focuses on providing professional and technical resources (Grindle, 1997; Dill, 2000; Horton et al., 2003) in order to increase results, infrastructure improvements are needed including repairs and maintenance in the cattle farming business group before joining Bank Indonesia and after joining.

The following is the result of improved cattle infrastructure before the Livestock Farmers Group joined the Bank Indonesia program and after joining as follows:

1. Repair of the cowshed.

Before carrying out the capacity building by the Representative Office of Bank Indonesia for the Province of NTT, the condition of the cattle pens included the traditional breeding pattern, where the cows were released freely without being penned. There is no awareness of becoming business actors; each individual keeps cows, and there are yet to be groups. The mentality of the people hopes for government assistance. There are no sample gardens for HMT (forage) cultivation. The period for fattening cattle reaches two years, but the condition of the cow pens after capacity building has been carried out by the Representative Office of Bank Indonesia in the Province of NTT, includes an awareness to become a business actor by forming the Noetnana Livestock Farming Group, by building a shared vision namely welfare and changes in the human



resources of members and families, there are group rules, there are group bookkeeping, there is a clear work plan.

2. Adding a warehouse for storing livestock feed ingredients.

Before the capacity building carried out by the Representative Office of Bank Indonesia in the Province of NTT, cattle breeders needed a place to store livestock feed ingredients. To provide food for their livestock, breeders release their cows into the forest/land overgrown with weeds, where the cows are freed to eat wild plants.

After Bank Indonesia built capacity, cattle breeders were given facilities in additional warehouses for storing fodder materials. By the Noetnana Livestock Farming Group, this warehouse stores dried lamtoro and fertilizers, fertilizing lamtoro trees to become fresh. Freshly cut lamtoro makes the cows fat so that they can increase yields. The feed warehouse is also utilized optimally to store feed in anticipation of the dry season.

3. Procurement of electronic weighing scales for cattle.

To support increased production, Noetnana's group, with the capacity building of the NTT Province Bank Indonesia Representative Office, procured weighing scales for cattle. It is used to see an increase in cattle production after fattening management is carried out with the help of forage cultivation (forage). Prior to joining the NTT Province Bank Indonesia Representative Office, breeders in Noetnana did not understand fattening management, feed management, and cattle health management, so they could not provide feed regularly and ignored aspects of quality and feed quantity, so the time to fattening cattle could reach two years or more.

After capacity building by the NTT Province Bank Indonesia Representative Office, the number of cattle-production continued to increase because the noetnana group began to pay attention to aspects of the quality and quantity of feed for cattle. By procuring electronic weighing scales for the cattle, the Noetnana group can monitor the progress of the cows and production results by periodically recording the body weight of the cattle.

4. Procurement of Meeting House for Business Group Members.

Before the capacity building was carried out by the Representative Office of Bank Indonesia in NTT Province, cattle breeders did not yet have the awareness to become business actors; this was evidenced by the cows being kept by each individual; there were no binding rules, the care of the cows was not yet directed, and no business group members had been formed.

After the capacity building was carried out by the Representative Office of Bank Indonesia in the Province of NTT, the cattle breeders became a business group named the Tenrak Noetnana Farmers Group. In the Tenrak Noetnana Farmer Group, they develop a shared vision, namely welfare, and changes in the human resources of members and families. By forming this group, cattle breeders can increase each member's understanding of fattening, stable, and livestock health management. They can increase member's understanding of the critical role of banking in business development.

5. Improved access to the Noetnana cattle cluster.

One of the supporting facilities used to achieve the performance of the Noetnana Livestock Farming Group is good road access to the Noetnana cattle cluster, which is the meeting house for members of the Noetnana Livestock Farming Group. Good road access supports the Noetnana group's business continuity in product marketing.



Before the capacity development by Bank Indonesia, the marketing system was still carried out at the local market or waiting for buyers to come to each individual's house, and access roads to each farmer's house still needed to be created. It was because the access roads at that time were still roads. Small footpaths can only be passed by pedestrians and still need to be passable by motorized vehicles, thus hindering the cattle marketing system from developing even better.

Seeing this, the counterpart from the Bank Indonesia Representative Office in the Province of NTT made improvements to the road access to the Noetnana cattle cluster; this improvement was by opening more comprehensive road access so that motorized vehicles could pass to support the achievement of the performance of the Noetnana cattle cluster. With this improved road access, the marketing of noetnana cattle production will develop and increase because the transportation process can run well.

6. Education.

Capacity building through education is carried out to the Noetnana Livestock Farming Group by the Representative Office of Bank Indonesia in the Province of NTT regarding the health and reproduction of cattle, such as feeding, which affects the growth of body weight of fattened cattle, cows that are fattened only by providing forage alone will not be able to achieve weight gain maximum body and relatively long fattening time as well as nursery. In terms of maintenance of beef cattle breeding, this can be done through extensive maintenance/pustura.

SWOT Analysis of Noetnana Livestock Farmer Group Capacity Building Strategy in Fatukoa Village by Bank Indonesia Representative Office, NTT Province Towards Digital 4.0 MSMEs. Strategy is an overall approach related to the idea, planning, and execution of an activity within a specific time. In a good strategy, there is the coordination of work teams, which has a theme of identifying supporting factors following the principles of implementing ideas rationally, efficiency in funding, and having tactics to achieve goals effectively (Tjiptono, 2000). Strategy is essential and needed in a company so that what is planned achieves the desired goals. Without a good strategy that is calculated effectively, the company will experience failure in doing business in the long and shortterm using SWOT analysis.

The usefulness of the SWOT analysis of the Noetnana Livestock Farmer Group capacity development strategy in Fatukoa Village by the Representative Office of Bank Indonesia NTT Province Towards Digital 4.0 MSMEs is to be able to obtain information through an analysis of internal conditions (strengths and weaknesses) and external conditions (opportunities and threats) that exist in capacity building carried out by the Representative Office of Bank Indonesia in the Province of NTT.

This analysis suggests that utilizing information can assist a company in reaching its objectives and identifying potential obstacles to overcome or avoid to achieve desired outcomes. In addition, the purpose of having a SWOT analysis in an organization is to align the internal and external factors of the organization that have been analyzed. When an error occurs, the company must know its weaknesses so that the organization can run smoothly, weaknesses become strengths, and organizations know how to deal with threats to become opportunities (Ferrell & Harline, 2005).

Concerning this explanation, the SWOT Analysis is based on the results of research on the Noetnana Livestock Farmer Group capacity-building strategy in Fatukoa Village towards Digital 4.0 Micro, Small, and Medium Enterprises (UMKM) as follows:

Table 1. SWOT Matrix of Noetnana Livestock Farmer Group Capacity Building Strategy in Fatukoa Village towards Digital 4.0 Micro, Small and Medium Enterprises (MSMEs)

Internal Factors	Strength	Weakness
<p>External Factors</p> <p>Opportunity</p> <p>1. There are 50 suppliers of livestock breeds as</p>	<ol style="list-style-type: none"> 1. Companion technical assistance 2. Social solid capital with 36 members. All members are Fatukoa, ethnic Timorese. 3. Access to banking is very open 4. Having legal aspects in the form of KT and Livestock Cooperatives 5. Have SOP for fattening cattle (feed, cleanliness of stables, weighing) 6. Have a good relationship with the government 7. Stalls for feed, routine vaccines, also given access to capital, calves, and markets. 8. There are consistent activities such as fattening, quality, and regular feeding. 9. Have strong competence and expertise because 36 members have competence in terms of fattening and breeding cattle 10. Has representatives of 15 young NTT farmers, BBPP Noelbaki 11. Has a strong base of innovation, such as new technology used in the form of fattening cages, electronic weighing devices, feed counters 	<ol style="list-style-type: none"> 1. Discipline where the number of NPLs does not exist because routine group meetings are an occasion for reminding each other 2. There is no standardization of product prices or the number of certificates issued. 3. Have not made sales using the marketplace and digital transactions 4. The recording system is still manual 5. Do not fully understand the use of technology 6. Have been given a financial management trainer but still have not focused on its utilization 7. Lack of administrative management due to limited unique human resources
	<p>SO strategy (Strength and Opportunity)</p>	<p>WO strategy (Weaknesses and Opportunities)</p>

- well as partnerships and networking of inter-island buyers with marketing reach to West Java and East Kalimantan with an average-sales of 400 head of cattle per month,
- 2. Having 50 suppliers, while for production partners, there are 50 farmers
- 3. Have research and research partners from the Veterinary Association of Kupang City, Undana, Politani Negeri Kupang to the University of Brawijaya Malang for productivity, economic impact, feed, and its effect on cow weight.

Threat

- 1. The emergence of new business entities has included fattening cattle with a cage system and a broiler chicken business.

- 1. Increasing value added based on local commodities
- 2. Emphasis on path dependencies
- 3. Promote collective efficiency through collective action. This principle focuses on initiatives encouraging business actors and other institutions to carry out joint activities to benefit the community around the cluster.

SO strategy

(Strengths and Threats)

- 1. More excellent provision of capital and access to a broader range of financial sources and institutions
- 2. Creating product branding so that the resulting product is more attractive and different from other products
- 3. Improving the marketing capabilities of MSMEs
- 4. Doing/making the program go to goal, namely going straight to the goal or target.

- 1. Increasing the capacity building of farmers, especially in managerial aspects through training in good and correct financial management as well as excellent and correct management and administration
- 2. Increasing the competitiveness of MSME products through price standardization and product certification so that the market can accept them also requires brand recognition to the market (branding).
- 3. Training on using and developing local-based marketplaces and digital transactions to reach a broader market.

WT Strategy

(Weaknesses and Threats)

- 1. Increasing access to business information for MSMEs
- 2. Maintaining the image of the resulting product
- 3. Maintain good relations with buyers and other stakeholders

Source: Author Analysis Results, 2023

Organizational External Opportunities and Threats. Based on the results of interviews and observations conducted by the author, it is known that the external opportunity for the Noetnana livestock farmer group is the presence of 50 livestock seed suppliers as well as partnerships and networking between island buyers with marketing reach to West Java and East Kalimantan with an average-sales of 400 head of cattle. Per month, we have 50 suppliers, while for production partners,

there are 50 nursery farmers, and even the Noetnana livestock farmer group has research and research partners from the Kupang City Veterinary Association, Undana, Kupang State Politani to Brawijaya University Malang for productivity, economic impact, feed and effect on body weight.

The external threat to the Noetnana livestock farmer group organization is the emergence of new business entities, including fattening cattle with a cage system and broiler chicken business. On the other hand, there is a discipline where the number of NPLs does not exist because routine group meetings are an occasion for reminding each other. Other external threats are the absence of standardization of product prices and the number of certificates issued.

Organizational Internal Strengths and Weaknesses. Based on the results of observations made by the author, it is known that in terms of the strength of the Noetnana Livestock Farmers Group, it has solid social capital with 36 members. All members are Fatukoa, ethnic Timorese. One of the prominent Timorese cultures is to make large livestock (number of cows) as savings and a measure of welfare; we also have legal aspects in the form of KT and Livestock Cooperatives, administrators, have SOPs for fattening cattle (feed, cleanliness of stables, weighing, we have good relations with the government are strengthened by stables for feed, routine vaccines, access to capital, calves, and markets are also given.

On the other hand, there are consistent activities such as fattening, providing quality and regular feed, and having strong competence and expertise because there are 36 members who have competence in terms of fattening and breeding cattle. This group has representatives of 15 young NTT farmers., BBPP Noelbaki Besides that, This farmer group has a strong base of innovation, such as the existence of new technology used in the form of fattening cages, electronic weighing devices, and feed counters, and the impact of using this technology is that the cows are protected from heat and rain, the product continuity is maintained, the cattle weight development is followed by the process monthly, business diversification occurs, the number of cows fattened by each member increases from 4-25 heads.

Meanwhile, the weaknesses of the Noetnana Livestock Farming Group are administrative management due to limited unique human resources, manual recording, needing to understand the use of technology entirely, and even being given training in financial management, but still need to be focused on its utilization.

The SWOT matrix produces several alternative strategies obtained from internal and external variables according to actual conditions in the field. The alternative strategies obtained are as follows:

SO strategy. The SO strategy to develop the capacity of the Noetnana Livestock Farming Group in Fatukoa Village towards Digital Micro, Small, and Medium Enterprises (UMKM) 4.0 Bank Indonesia Kupang Regional Office is an increase in value added by creating added value from livestock farming production produced by the Noetnana farmer group then emphasizes path dependencies, namely organizational behavior that uses a product or practice on an ongoing basis based on preferences (something that is preferred) for its usefulness or historical preferences because it is often easier or more cost-effective to continue a path that has been used than to create an entirely new path and ultimately promote collective efficiency through collective action. This principle focuses on initiatives encouraging business actors and other institutions to carry out joint activities to benefit the community around the cluster.



WO strategy. The WO strategy in efforts to develop the capacity of the Noetnana Livestock Farmer Group in Fatukoa Village towards Digital 4.0 Micro, Small and Medium Enterprises (UMKM) by Bank Indonesia Kupang Regional Office is that it is necessary to increase farmer capacity building, especially managerial aspects through proper and correct financial management training and Good and correct management and administration governance also needs to be carried out to increase the competitiveness of MSME products through price standardization and product certification so that the market can accept them, branding is also needed in addition to towards Micro, Small and Medium Enterprises (MSMEs). Digital 4.0 requires training in using and developing local-based marketplaces and digital transactions to reach a broader market.

ST Strategy. The ST strategy in efforts to develop the capacity of the Noetnana Livestock Farmers Group in Fatukoa Village towards Digital 4.0 Micro, Small, and Medium Enterprises (UMKM) by Bank Indonesia Kupang Regional Office is the provision of more outstanding capital and access to broader sources and financial institutions besides that it is necessary to create product branding so that the products produced are more attractive and different from other products, improve the marketing capabilities of MSMEs as well as carry out/make programs that go to goal, that is, go directly to the goals or targets.

WT Strategy. WT's strategy in efforts to develop the capacity of the Noetnana Livestock Farmer Group in Fatukoa Village towards Digital 4.0 Micro, Small, and Medium Enterprises (UMKM) by Banks by Bank Indonesia Kupang Regional Office is to increase access to business information for MSMEs as well as products produced that maintain their quality so that the image products can be built as well as the stability of good relations with other stakeholders.

CONCLUSION

Based on the results of the research and discussion, the following conclusions can be drawn: The capacity building strategy for the Noetnana Livestock Farmers Group in Fatukoa Village by the Representative Office of Bank Indonesia in NTT Province towards Digital SMEs 4.0 the author uses the opinion of Thompson (2003) who develops the concept created by Parsons (1960), where at (a) level technical support was found in the form of policy, budget and program support provided by Bank Indonesia to the Noetnana Livestock Farmers Group to support MSMEs technically non-financially, such as mentoring & consulting assistance, infrastructure, motivation, and subsequent technology at (b) managerial level found there is an allocation of personnel for each unit and function in supporting the capacity development of the Noetnana Livestock Farmers Group, while at (c) the institutional level it was found that there was an increase in the group's institutional capacity.

Suggestion. By referring to the conclusions above, suggestions can be given regarding the strategy for developing the capacity of the Noetnana Livestock Farmers Group in Fatukoa Village by the Bank Indonesia NTT Province Representative Office towards Digital SMEs 4.0 as follows:

1. Capacity building requires a technical support strategy from the growth stage of the Noetnana Livestock Farmer Group, such as infrastructure, knowledge, networks, social capital, laws, and requests so that the cluster has links with other parties. Furthermore, the Noetnana Livestock Farming Group needs to be supported by local institutions, infrastructure, and culture so that consolidation occurs, focusing on efficiency and economies of scale that drive the cluster.



2. Capacity building must also focus on existing Noetnana Livestock Farmers Groups, with the first principle being to work with already-formed clusters rather than new ones. The potential of existing clusters needs to be explored in more depth because new clusters tend to be top-down, and incentives for the private sector are relatively limited.
3. Capacity development requires information technology-based promotional and marketing strategies to increase the competitiveness of MSME products and introduce brands to a broader market (branding).
4. Capacity development of the Noetnana Livestock Farmers Group also needs to involve various related parties and be inclusive, sustainable, and gender balanced. Increasing labor productivity, innovation, and participation must be carried out in clusters by empowering marginalized groups, increasing employment opportunities, and improving the health and education of the workforce.
5. Capacity development of the Noetnana Livestock Farmers Group is necessary to encourage collective efficiency through joint action. This principle focuses on initiatives encouraging business actors and other institutions to carry out joint activities to benefit the community around the cluster. Steps that can be taken are maintaining relationships between stakeholders in the cluster, building shared goals or values, building relationships, building trust, strengthening governance mechanisms, and supporting cluster institutional networks.
6. Capacity development of the Noetnana Livestock Farmers Group needs to strengthen cluster governance mechanisms. This principle is carried out by changing the interaction patterns between stakeholders in the cluster and building institutions/institutions that can lead and coordinate various joint activities. Good governance in clusters is in the form of coordinated activities and effective planning to improve cluster performance. It will build social capital, such as trust and shared values, to develop better clusters.
7. Capacity development of the Noetnana Livestock Farmers Group is necessary to build strength to achieve competitiveness through clusters. In addition to business actors, clusters should have business associations, business development services, financial institutions (including banking), government (public policymakers at the local, regional, and national levels), as well as educational institutions (vocational schools, universities), and business development. Service (BDS) providers.

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