

Women's Empowerment as an Effort to Mitigate Dependence on Online Loans through Strengthening Local-Asset-Based UMKM in Sukagalih Village

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ABSTRACT

This community service program aims to reduce women's dependence on online loans by strengthening local-asset-based micro, small, and medium enterprises (UMKM) in Sukagalih Village using the Asset-Based Community Development (ABCD) approach. Through the stages of discovery, dream, design, deliver, and destiny, the program identified key community assets—such as skills in food processing and sewing, strong PKK networks, and high motivation—to build a foundation for sustainable economic empowerment. Participants collaboratively formulated a vision of achieving financial stability without borrowing, received practical modules on household financial literacy, food-based MSME training, and basic digital marketing, and gained hands-on experience in production, branding, and online promotion. The program outcomes show significant improvements in women's understanding of financial management, product development skills, digital marketing practices, and confidence to initiate independent economic activities. The formation of a women's business group and continued mentoring further strengthened social support systems that reduce risky borrowing behavior. Overall, the findings indicate that asset-based empowerment effectively enhances women's economic resilience and offers a sustainable strategy for mitigating dependence on online loans in rural communities.

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INTRODUCTION

The development of financial technology has provided easier access to financial services, including online lending platforms. However, this convenience is often not accompanied by adequate financial literacy, particularly among rural communities. Garut Regency, as one of the regions with a lower-middle economic profile, also faces this challenge. According to data from the Financial Services Authority (OJK), as of December 2023, there has been a significant increase in the number of online loan users, including housewives and MSME actors (OJK, 2023).

Women—especially housewives and those engaged in the informal economy—are among the groups most vulnerable to the lure of instant loans. This is reinforced by data from the Ministry of Women's Empowerment and Child Protection (KPPPA), which indicates that women still have limited access to both financial literacy and formal financial services (KPPPA, 2022). Dependence on online loans affects household economic stability and can lead to psychological distress as well as social conflicts within families (Ramadhani & Permatasari, 2021).

Therefore, an approach that is not only educational but also solution-oriented is required through concrete economic empowerment initiatives. Women's empowerment through Micro, Small, and Medium Enterprises (UMKM) is an effective strategy for mitigating dependence on online loans. Wulandari and Kurniawati (2020) emphasize that UMKM have great potential to enhance women's economic independence, particularly when supported by skills training, digital literacy, and adequate market access.

Garut Regency possesses substantial potential for developing locally-based UMKM, supported by its natural resources and cultural assets (Garut BPS, 2023). This forms an important foundation for building more independent and sustainable household economies. In line with this, Nugroho (2021) highlights that community empowerment is not merely about economic improvement but also about fostering critical awareness and autonomy in decision-making.

Through this community service initiative, women in Garut Regency are provided with education and training to develop independent businesses, understand the risks of online loans, and manage household finances more wisely. In this way, women become not only economically empowered but also agents of change within their social environment.

METHOD

The community service program was implemented using the Asset-Based Community Development (ABCD) approach, which is described as follows:

Discovery (August 2025)

This stage was conducted through field observations, discussions with PKK cadres, and interviews with housewives. The team identified several assets, including skills in making snacks, sewing abilities, a strong PKK network, and the enthusiasm of women to develop small businesses.

Dream (Late August)

Participants were guided to formulate a shared vision of achieving more stable economic conditions without relying on online loans. They visualized their life goals, such as “debt-free families” and “sustainable home-based businesses.”

Design (September)

The team developed training modules using simple and accessible language:

- Household Financial Literacy Module
- MSME Training Module for Food Processing
- Basic Digital Marketing Module
- The core activity design was structured under the concept of the Women’s Empowerment Week.

Deliver (Week 1 of November – Core Activities)

The core implementation was carried out over three consecutive days:

- Day 1: Education on the risks of online loans and financial management
- Day 2: MSME skills training
- Day 3: Digital marketing and local product branding

Destiny (November–December)

This phase involved continuous mentoring, the formation of women’s business groups, and initial monitoring to ensure program sustainability.

RESULTS AND DISCUSSION

The community engagement program focused on empowering women to mitigate dependence on online loans through strengthening local-asset-based UMKM in Sukagalih Village. The program generated several significant outcomes across each stage of the ABCD (Asset-Based Community Development) approach. The results are summarized in Table 1.

TABLE 1. Results of Each Stage of the ABCD Approach

Stage	Result
Discovery	Through field observations, discussions with PKK cadres, and interviews with homemakers, the team identified four major assets among the women of Sukagalih Village. First, many women possess skills in snack-making and sewing. Second, the village has a strong and well-organized PKK network. Third, there is a high level of motivation among women to develop small businesses. These findings demonstrate that the community already holds social capital and foundational skills that can be strengthened as the basis for economic empowerment.
Dream	In this phase, participants collaboratively developed a shared vision: achieving family economic stability without relying on online loans. The process fostered collective commitment among women to develop income-generating activities based on local assets.
Design	The team designed a package of practical empowerment modules, including a Household Financial Literacy Module, MSME Food Processing Module, and Basic Digital Marketing Module. The program's core activities were organized into the "Women's Empowerment Week," which included education sessions, hands-on training, and a product exhibition.
Deliver	The implementation phase resulted in four key achievements. First, women's understanding of the risks of online loans and household financial management increased. Second, participants were able to produce locally based food products and perform basic branding. Third, participants began practicing digital marketing using social media and local communication platforms. Fourth, several products such as cassava chips, cookies, and simple textile crafts began to be produced consistently.
Destiny	This final stage yielded three important outcomes. First, a women's business group was established as a platform for economic collaboration. Second, follow-up mentoring was conducted on business management, financial recording, and marketing strategies. Third, women demonstrated increased motivation and confidence to develop independent businesses without relying on online loans.

Overall, the results indicate an improvement in women's capacity in financial management, production skills, and digital marketing utilization as a means of expanding market opportunities.

The application of the ABCD approach demonstrates that strengthening local assets can effectively reduce women's dependence on online loans by focusing on existing community capacities rather than deficits. In the context of Sukagalih Village, local assets such as cooking expertise, sewing skills, PKK networks, and strong social capital serve as fundamental resources for developing productive economic activities. This finding aligns with the foundational theory of Kretzmann and McKnight (1993), who argue that empowerment efforts are more successful when they originate from community strengths. Similarly, the community engagement program by Rukmini (2021) revealed that optimizing women's skill-based assets can generate alternative income streams that reduce reliance on consumptive borrowing.

Additionally, the utilization of local assets as the foundation of MSME development is particularly suitable for rural contexts. Setyaningsih (2022) found that women are more capable of sustaining enterprises that build on their prior skills and local wisdom rather than ventures requiring significant

capital or advanced technology. Thus, the ABCD approach is highly compatible with the sociocultural landscape of Sukagalih Village, where strong social networks and foundational skills serve as the basis for empowerment.

Enhancing Economic Capacity Without Debt

Training in UMKM skills, product branding, and digital marketing provides women with realistic income-generating alternatives, reducing the perception that online loans are the only solution during financial emergencies. Fatimah (2022) showed that increased financial literacy and improved income management significantly reduce the likelihood of women engaging in online borrowing. Similarly, Amelia (2023) reported that asset-based MSME training encourages women to initiate small-scale income-generating activities, which act as an effective economic buffer in meeting daily needs.

The training modules developed in Sukagalih Village—emphasizing hands-on practice, the use of local materials, and simple digital marketing strategies—echo Pertiwi's (2021) findings, which highlight that contextually relevant training tailored to participants' existing abilities leads to better outcomes in building economic independence.

Strengthening Social and Collective Resilience

The establishment of the women's business group during the destiny stage functions as a crucial mechanism for enhancing social and collective resilience. This group serves as a space for emotional, economic, and knowledge-sharing support. Lestari and Hariani (2020) found that women's business groups can reduce risky financial decisions because members engage in collective discussions, mutual support, and experience-sharing. Such groups strengthen social capital, which, according to Suwandi (2020), directly influences a community's ability to make more rational economic decisions.

In Sukagalih Village, the group facilitates collaborative production, joint marketing, and internal trade among members, creating a “social safety net” that reduces the pressure to borrow money. When women feel socially supported, they are less likely to seek quick fixes through online loans.

Building Self-Reliance and Confidence

The mindset of independence cultivated during the dream and deliver phases helps women recognize their capacity to address economic challenges without relying on online loans. Wulandari and Nurhasanah (2022) demonstrated that increased self-efficacy and self-awareness significantly influence women's financial behavior. Maulida (2022) further reported that women who participate in business groups and feel a sense of ownership in empowerment processes tend to exhibit greater financial stability.

As confidence grows, women become more rational in financial decision-making, reducing impulsive tendencies to take digital loans. The ABCD approach in Sukagalih effectively strengthens these psychological dimensions by emphasizing individual strengths and community potential beginning from the discovery stage.

CONCLUSION

This community empowerment program demonstrates that the ABCD (Asset-Based Community Development) approach is effective in reducing women's dependence on online loans by strengthening

local assets and enhancing economic capacity. Across all stages—from discovery to destiny—the program succeeded in identifying and mobilizing women's existing skills, social networks, and local resources to develop sustainable micro-enterprises. Women in Sukagalih Village showed significant improvements in financial literacy, production skills, and digital marketing practices, which collectively provided viable alternatives to debt-based coping strategies.

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