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The Importance of Local Wisdom Approach in the Socio-Economic Empowerment Program of Village Communities

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ABSTRACT

Various community empowerment programs in rural areas have been carried out by the government. However, some of these programs are less successful in improving the socio-economic conditions of the community because they set aside the approach of local wisdom based on locality culture that applies to the community, where the empowerment program is implemented. This study article aims to illustrate how local wisdom can be effectively applied in community empowerment programs in rural areas to support poverty alleviation efforts in rural Indonesia. is one of the important approaches that is increasingly being applied in poverty alleviation efforts in Indonesia. This research aims to systematically examine various scientific literature related to the implementation, obstacles, and success of community empowerment programs that make local cultural values the main basis. The method used in this study is Systematic Literature Review (SLR) in several national and international journals published during the last 5 years. The results of the study show that community empowerment programs in rural areas that use a local wisdom approach based on local cultural values are more effective in increasing economic independence, strengthening social solidarity, and developing the capacity of rural communities compared to programs that are top-down and pay less attention to the socio-cultural aspects of the local community. Some of the key factors that support the program's success include active community participation, strong local leadership, cross-sector cooperation, and program sustainability. Thus, the approach based on local wisdom can be understood not only as a supporting element but as the basis of the approach to realize sustainable and equitable community empowerment.

Keywords Local wisdom; Community Empowerment; Socio-economic; Village community

INTRODUCTION

Sustainable poverty alleviation in rural areas through various empowerment programs has been carried out by the government so far, but it is still a structural problem that continues to affect the development process in Indonesia (Suyatna et al., 2024; Syahza et al., 2025; Wang et al., 2022). Based on data from the Central Statistics Agency in 2024, the national poverty rate is still in a condition that requires comprehensive and sustainable handling. Various efforts have been made by the government to overcome these problems, including through the distribution of social assistance and the development of micro, small, and medium enterprises (UMKM), as well as the implementation of community empowerment programs based on village potential.

However, the implementation of empowerment programs in rural areas often uses a general and uniform one-size-fits-all approach, thus paying less attention to the social and cultural characteristics of local communities. This condition causes many empowerment

programs to face obstacles in their sustainability. Programs that are prepared without the active involvement of the village community and ignore the values, norms, and practices of local wisdom in the middle of the community who tend to be unable to provide optimal and long-term results (Anggara et al., 2025; Razak et al., 2024; Sulaiman et al., 2024).

The approach based on local wisdom can be understood as a collection of knowledge, values, beliefs, and practices that grow from people's experiences in interacting with their social and natural environment. In Indonesia, the forms of local wisdom are very diverse, such as the culture of mutual cooperation in Java, philosophy Basandi Syara'-Syara' Basandi Kitabullah in Minangkabau, the Subak System in Bali, and various other local traditions in various parts of the archipelago. Values are capital to support the community empowerment process (Auliah et al., 2025; Halstead et al., 2022; Vongvisitsin et al., 2024).

The integration of local wisdom values in village community empowerment programs is considered an approach that is more in line with comprehensive social conditions. This approach not only focuses on improving the community's economy, but also pays attention to social, cultural, and environmental aspects that are interrelated. A number of studies show that empowerment programs based on local wisdom are able to increase community participation, strengthen social solidarity, and produce more sustainable impacts (Afnan et al., 2025; Rachmawati et al., 2025; Zhou et al., 2021).

However, the implementation of a local wisdom-based approach has so far faced various obstacles. These challenges include the clash between local values and modernization flows, limited human resource capacity at the local level, and the need for stronger policy support from the central and regional governments. Therefore, a more comprehensive understanding of the developments, successes, and challenges in the implementation of this approach is needed.

This article aims to illustrate how local wisdom can be effectively applied in community empowerment programs in rural areas to support poverty alleviation efforts in rural Indonesia. To answer this question, a literature review by conducting a systematic analysis of various relevant studies. With the hope of contributing to the development of concepts and practices of empowering village communities in Indonesia.

METHODS

The study of this article uses the Systematic Literature Review (SLR) method. This method is carried out through the process of collecting, reviewing, and analyzing various literature sources relevant to the research topic related to the research topic in a systematic and directed manner. The SLR approach was chosen so that the research can provide a more comprehensive picture of the empowerment of the Indonesian people, both in terms of implementation, challenges, and impacts on the welfare of the community, especially the rural community.

The stages of study activities are carried out through several processes, namely collecting articles and journals that are relevant to the research theme, selecting articles based on the suitability of the topic and the quality of the research, then analyzing the content of the article related to the form of implementation and the impact of community empowerment based on local wisdom on poverty alleviation. Based on the selection process carried out systematically, 12 scientific journal articles were obtained that were in accordance with the research inclusion criteria.

The articles come from various national journals accredited by SINTA as well as international journals indexed by Scopus. Geographically, the research analyzed covers various regions in Indonesia, such as Java, Sumatra, Kalimantan, Sulawesi, and Eastern

Indonesia. Regional diversity regarding the implementation of community empowerment based on local wisdom in various social and cultural conditions.

Judging from the research methods used, many studies applied a qualitative approach (58.3%), followed by mixed methods (25%), and a quantitative approach (16.7%). The dominance of the use of qualitative methods shows that research on community empowerment based on local wisdom focuses more on an in-depth understanding of the processes, dynamics, and meanings that emerge in community empowerment practices. In addition, the time span of research is also diverse, ranging from cross-sectional research to longitudinal studies conducted over a period of 5 years.

Furthermore, the results of the analysis are compiled in the form of a synthesis to obtain research conclusions. The analysis of study data is carried out by the researcher through the stage of analyzing the results of the research by recording important and relevant parts to the research problem and then compiling it for analysis and drawing conclusions

RESULT AND DISCUSSION

The Concept and Foundation of the Concept of Community Empowerment Based on Local Wisdom

Conceptually, community empowerment is understood as a process that allows individuals, groups, and communities to have the ability to govern their own lives, participate in decision-making that affects them, and achieve desired goals (Petriello et al., 2025; Sun et al., 2025; Tong et al., 2024). This concept is based on Paulo Freire's critical thinking on critical consciousness and the pedagogy of the oppressed, which emphasizes the importance of active community involvement in creating social change.

According to The Findings, in the Indonesian context, community empowerment is closely related to local social and cultural conditions. Local wisdom that includes knowledge systems, values, and practices that develop in society is seen as social capital that has great potential in supporting the empowerment process. Local wisdom is not only understood as a tradition that is passed down from generation to generation, but also as a social resource that can be used to deal with various modern problems, including poverty and social inequality.

Meanwhile, The Findings introduced the concept of heritage-based empowerment, which is an approach that combines the concept of Asset-Based Community Development (ABCD) with the values of local wisdom. In this perspective, local wisdom is seen not as an obstacle to modernization, but as cultural capital that can be used to encourage more meaningful and sustainable social and economic change.

Implementation of Village Community Empowerment Program Based on Local Wisdom

Literature review shows that there are several models of implementation of village community empowerment based on local wisdom that have been successfully implemented in various regions in Indonesia. Each model shows a different approach according to the social and cultural conditions of the local community.

First, the empowerment model based on cooperation. Rahmawati et al., (2022) explained that several villages in Central Java have successfully implemented the value of mutual cooperation in community-based micro business development programs. Business groups are formed through social relationships that have been established in the community and are managed with the principle of togetherness, such as division of duties, joint fund management, and collective decision-making. This approach has been proven to be able to increase

community participation and maintain program sustainability compared to programs that do not use the system.

Second, the subak system-based model in Bali. Research by Setiawan et al., (2023) shows that the traditional subak irrigation system not only functions in agricultural management but is also developed into the basis for the development of agro-tourism and organic agriculture. This system is supported by the Tri Hita Karana philosophy which emphasizes the balance of relationships between humans and God, fellow humans, and the environment. This value is a strong foundation in supporting the economic empowerment of agriculture-based communities.

Third, the custom-based empowerment model in Minangkabau. Hidayat et al. (2024) found that Minangkabau customary institutions with matrilineal systems and nagari institutions can be used as a means of women's economic empowerment. Savings and loan programs run through women's traditional groups (bundo kanduang) have proven to be effective in expanding women's access to business capital and increasing family income.

Fourth, a model based on local wisdom in the Eastern Indonesia region. Pattimura et al., (2024) reveal the practice of community empowerment through a system of combining local ecological knowledge with marine-based economic programs, village communities in coastal areas can improve the economic welfare of the community while maintaining the preservation of the marine environment as their main source of livelihood.

A cross-study analysis reveals that, although being executed through various cultural institutions and traditions, local wisdom-based empowerment programs have numerous shared traits. The analyzed research consistently indicate that local cultural values serve as social capital, promoting collective action, bolstering community trust, and augmenting participation in developmental initiatives. Successful programs, whether executed via mutual cooperation traditions in Java, the Subak system in Bali, customary institutions in Minangkabau, or ecological knowledge systems in Eastern Indonesia, depend on the capacity to incorporate local cultural resources into economic development strategies. This research indicates that the efficacy of empowerment programs is not contingent upon the particular manifestation of local wisdom, but rather on the manner in which these values are institutionalized and implemented in community-based development activities. Critical Factors of Success

Based on the results of the synthesis of various literature analyzed, several main factors were found that affect the success of community empowerment programs based on local wisdom, as follows:

The first factor is the active involvement of the community. All of the studies studied show that real and meaningful community participation is an important condition for the success of empowerment programs (Wahyuni et al., 2023; Rahmawati, 2022; Nugroho et al., 2024). This involvement is not only limited to formal attendance but includes the role of the community in every stage of the program, starting from identifying needs, planning, implementation, to the monitoring and evaluation process.

The second factor is the existence of strong local leadership and social legitimacy. Suharto & Widodo (2023) emphasized that traditional leaders, informal leaders, and local change agents have an important role in encouraging the success of community empowerment. Leaders who have influence and trust from the community are able to mobilize citizen participation while bridging traditional values with changes brought about through empowerment programs.

The third factor is the establishment of synergy between sectors and institutions. According to Hermanto et al., (2022), successful empowerment programs are generally built through cooperation between village governments, local governments, customary institutions,

community organizations, universities, and the private sector. The collaboration creates stronger and more comprehensive support for the implementation of community empowerment programs.

The fourth factor relates to institutional sustainability and funding. Kurniawan et al., (2024) explain that programs that are able to form independent local institutions, especially in financial management, have greater opportunities for sustainability. Strong local institutions can also retain and pass on knowledge and practices of empowerment to the next generation.

The fifth factor is the existence of adequate policy support. Pratama et al., (2023) emphasized the importance of policies that provide space for the application and development of local wisdom in modern development. Regulations that support the existence of customary institutions, accompanied by a flexible funding system that is in accordance with the needs of local communities, are elements that have an important role in supporting the success of empowerment programs based on local wisdom.

The synthesis of the examined literature indicates that the recognized success determinants are significantly interrelated rather than functioning individually. Community engagement is typically more robust when backed by credible local leadership, but institutional sustainability is more probable when there is cross-sector collaboration and policy endorsement. This pattern indicates that local knowledge alone is inadequate to guarantee successful empowerment results. Local wisdom acts as a foundational element that requires enhancement through democratic governance, institutional capacity, and conducive policy frameworks. Consequently, effective empowerment programs can be perceived as the outcome of interactions across cultural, social, institutional, and policy elements.

Challenges and Obstacles to the Implementation of Community Empowerment Programs

The results of the literature review also show that there are various challenges in the implementation of community empowerment programs based on local wisdom. Understanding these barriers is important to develop a more effective and sustainable empowerment strategy in the future, as follows:

First, there is a clash between local values and modernization trends. The Findings found that there is a tension between the principles of local wisdom that prioritize togetherness and harmony with the modern economic system that is more competitive and individualistic as well as the ability of program companions in managing the community's adaptation process to change (Che & Hashim, 2024; Yanan et al., 2024; Yeganeh, 2024).

Second, the limited quality of human resources at the local level is one of the main obstacles. Although the community has strong local values and knowledge, the implementation of empowerment programs still requires certain technical skills, such as financial management, digital marketing, and organizational management that are not fully mastered by the local community (Dushkova & Ivlieva, 2024; Ishak, 2024; Lansing et al., 2023).

Third, resistance to change is still found in some communities. Pattimura & Lestari (2024) explained that some values in the local wisdom system sometimes still maintain social inequality, for example discrimination based on gender or certain social status. Therefore, change efforts must be carried out carefully and participatively in order to still appreciate positive local values without maintaining elements that are detrimental to the community.

Fourth, obstacles to coordination between the central government and local governments are also a challenge in the implementation of empowerment programs. Pratama et al. (2023) revealed that there is a difference between national policies that tend to be uniform and the needs of local communities that are very diverse. Therefore, it is necessary to implement more real and substantial decentralization so that policies can be more in line with the conditions and needs of each region.

The challenges identified in local wisdom-based empowerment projects can be categorized into two main types: internal and external restrictions. Internal restrictions typically pertain to restricted human resource capability, opposition to change, and the continuation of specific historic traditions that may obstruct inclusivity. External restrictions encompass modernization demands, market competitiveness, and policy frameworks that frequently neglect local variation. Numerous studies indicate that these issues are not exclusive to Indonesia; they also manifest in community-based development programs in other nations, highlighting a wider conflict between cultural preservation and socio-economic modernization. This discovery underscores a significant research deficiency about methods for reconciling local cultural values with modern developmental requirements.

Impact and Achievements of Community Empowerment Programs

Various studies analyzed show that village community empowerment programs based on local wisdom have an impact on the economic side, these programs have been proven to be able to increase community income, expand sources of livelihood, and strengthen local economic resilience. Rahmawati & Santoso (2022) noted an average increase in income of around 35–45% in community groups that participated in mutual cooperation-based empowerment programs in rural areas of Central Java.

In the social aspect, village empowerment programs based on local wisdom also play a role in strengthening community social relations, increasing mutual trust between community members (social trust), and building a more open and inclusive social network. The Findings found that the people involved in the program had a higher level of social participation and a lower level of internal conflict than other communities.

Several programs that integrate the values of local wisdom in natural resource management have succeeded in creating a balance between economic improvement and environmental conservation, this from an environmental point of view. One example is the implementation of the Sasi System in Maluku which was studied by Pattimura & Lestari (2024). The study showed that there was an increase in fish populations in areas that consistently implemented the sasi system, so that it had a positive impact on fishermen's income in the long term.

Interestingly, Kurniawan et al., (2024) explain that empowerment programs based on local wisdom have a higher level of sustainability than programs that do not use this approach. Even five years after the program was completed, the community that applied a local wisdom-based approach still showed strong sustainability, both in terms of institutions, economic conditions, and community social participation.

An analysis of the examined research reveals that the effects of local wisdom-based empowerment transcend mere economic enhancement. Although most research indicated augmented income and livelihood diversification, the most pronounced and persistent consequence was the improvement of social capital, evidenced by elevated levels of trust, involvement, and collective responsibility within communities. Moreover, research on environmental management indicates that indigenous knowledge enhances sustainable resource use by incorporating conservation concepts into economic practices. The findings indicate that empowerment rooted on local expertise yields multifaceted advantages across economic, social, and environmental spheres, setting it apart from traditional top-down development initiatives that typically focus just on economic results.

Nonetheless, variances in outcomes were observed across different geographies and program types. Programs bolstered by robust customary structures and entrenched cultural practices exhibited more sustainability than programs functioning in communities undergoing swift socio-cultural transformation. This variety signifies that the efficacy of empowerment rooted in local wisdom is contingent upon context and shaped by the robustness of local

institutions, community solidarity, and the flexibility of traditional values in addressing modern developmental issues. These findings offer a significant avenue for future research to investigate the circumstances in which local wisdom might optimally facilitate sustainable community development.

Implications of Community Empowerment Program Policies and Practices

Based on the results of a synthesis of various literature, the empowerment of rural communities in Indonesia is: first, the government needs to develop policies that are more flexible and able to adapt to the diversity of local conditions. This is important so that local governments and local communities have a wider space to design empowerment programs that are in accordance with their respective local values, needs, and cultures.

Second, increasing the capacity of community empowerment facilitators needs to be a major concern. Facilitators are not only required to have technical skills in running empowerment programs but also must have an understanding and sensitivity to local culture. Hermanto & Basuki (2022) explained that facilitators who have cultural competence are able to be an effective link between the goals of the empowerment program and the local values that develop in the community.

Third, strengthening the documentation system, disseminating information, and learning between empowerment programs is also very necessary. There are still many good practices in empowerment based on local wisdom that have not been optimally documented, so that opportunities to be used as learning and applied in other areas are limited. Therefore, it is necessary to develop a knowledge-sharing platform that is more structured and involves various parties on an ongoing basis

CONCLUSION

Village community empowerment programs based on the local wisdom approach have proven to be an effective approach that has a real economic impact, but is also able to strengthen the social and cultural aspects of the community which are an important basis for sustainable development in rural areas.

The success of village community empowerment programs based on local wisdom can increase active community participation, local leadership that has clear legitimacy and vision, strong cross-sector cooperation, institutional sustainability and funding, and government policy support at various levels. This certainly requires an adaptive, reflective, and open approach to the learning process so that these obstacles can be overcome effectively.

Local wisdom is not only a cultural heritage that must be maintained because it has historical value and is a strategic resource that can be used to face various current and future development challenges to create sustainable, just, and dignified community empowerment..

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