

The Role Of The Government In Empowering Alternative Economies For Cap Tikus Producers In Kumelembuai Village, South Minahasa Regency

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Abstract

This study examines the role of government in supporting alternative economic empowerment for Cap Tikus producers in Kumelembuai Village, North Sulawesi. Cap Tikus, a traditional alcoholic beverage made from palm sap, is a key source of income and cultural identity for the local community. However, heavy dependence on its production and the agricultural sector exposes villagers to economic risks. Through a review of current conditions and literature, this research highlights the need for economic diversification to improve community resilience and welfare. The study emphasizes the importance of government intervention—such as training, capital support, and market access—in facilitating sustainable economic development. Findings aim to inform policy strategies that strengthen local economies and reduce reliance on a single income source.

Keywords: Cap Tikus; Alternative economic empowerment; Kumelembuai Village; Government intervention; Sustainable development

INTRODUCTION

Cap Tikus is a traditional alcoholic beverage that comes from the fermentation of palm sap. In Indonesia, especially in the North Sulawesi area, Cap Tikus has become part of the local culture and has significant economic value for the community. According to Lendo (2015), small industries engaged in the production of Cap Tikus involve many local farmers and artisans who rely on sap as the main raw material. The production of Cap Tikus not only provides income opportunities, but also contributes to the sustainability of the culture and traditions of the local community.

Alternative economic empowerment is very important in the context of sustainable community development. With this empowerment, it is hoped that the community will not only depend on one source of income, but can develop various businesses that can improve their welfare. Tambayong and Laoh (2016) emphasized that economic diversification can reduce the risks faced by farmers, especially in the face of price fluctuations and climate change. Therefore, the development of alternative economies for Cap Tikus producers is very relevant to increase the economic resilience of the community.

The current economic condition of the people of Kumelembuai Village shows that there is a high dependence on the agricultural sector and the production of Cap Tikus. According to data from the Central Statistics Agency of South Minahasa Regency, most of the villagers work as farmers, with

an income that is often insufficient to meet the needs of daily life. In this context, alternative economic empowerment is a strategic solution to open up new business opportunities and increase people's income. With the right support, Cap Tikus producers can transform into more independent and competitive economic actors.

The role of the government in economic empowerment is crucial, especially in providing the necessary policy support and facilities. The government can contribute through training, capital provision, and market access for Cap Tikus products. Wua et al. (2015) revealed that government intervention in the form of economic empowerment programs can increase production capacity and the quality of local products. Thus, the government not only functions as a regulator, but also as a facilitator that encourages the economic growth of the community.

Looking at the conditions and challenges faced by Cap Tikus producers in Kumelembuai Village, this study aims to explore the role of the government in empowering alternative economies. This research is expected to provide a clearer picture of strategies that can be applied to improve people's welfare, as well as provide relevant policy recommendations. Thus, the results of this research are expected to be a reference for decision-makers in formulating programs that support the development of the local economy in a sustainable manner.

METHODS

The method used in this study is a qualitative research method, which emphasizes the process of searching for meaning, revealing meaning, behind the phenomenon that emerges related to the role of the government in empowering alternative economies for Cap Tikus producers in Kumelembuai Village, South Minahasa Regency. This qualitative research method aims to explore a deep understanding of the government's role in empowering alternative economies for Cap Tikus producers in Kumelembuai Village, South Minahasa Regency. In this study, data was collected through in-depth interviews with various stakeholders. In addition, direct observation at the location of captikus producers and consumers who are the focus of development is also carried out to obtain more comprehensive data on real conditions in the field. The research location is in Kumelembuai Village, South Minahasa.

In this study, the main research instrument is the researcher himself. The author himself conducts observations, interviews, data collection and data analysis. This research can be assisted by tools to facilitate the research process, such as Digital Cameras, Mobile Phones, Tape recorders, and other tools.

In accordance with the problem that is the focus of this research, the sources of research data are:

1. Observation of employee performance in providing services to the community
2. Semi-structured interview data to informants are:
 - a. Village head
 - b. Village Officials
 - c. Captikus Manufacturer
 - d. Community

Table 1. Interview Informant

Description	Informant Code	Number of Informants	Informant Description
Focus and Subfocus	Informant I.1	1	Village head
	Informant I.2	1	Village Officials
	Informant I.3	3	Captikus Manufacturer
	Informant I.4	3	Community

Source: Summarized by authors, 2025

Data Analysis Techniques

a. Data Reduction

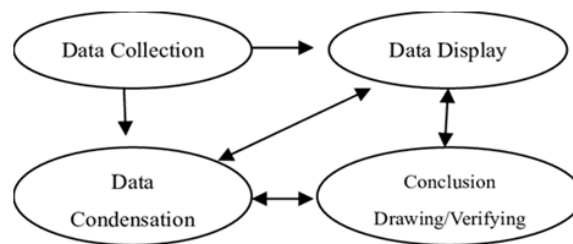
Reduce data obtained through observations, documents and interviews. Reducing data obtained through observation, documents, and interviews is an important step in the qualitative data analysis process. This process aims to filter out relevant and essential information, as well as reduce data that is too broad or irrelevant. In observation, the researcher must select significant events or behaviors and provide a clear picture of the phenomenon being studied. Whereas in interviews, relevant data should be focused on answers that lead to a deeper understanding of the topic raised, ignoring information that is irrelevant or too general. The same is true of documents, where only information that supports the analysis is retained. This reduction process allows researchers to organize and organize the data in a more structured form, which makes it easier to identify key themes. Once the data has been filtered, the next step is to categorize and connect it with relevant theories or concepts. This data reduction not only involves sorting information, but also interpreting the meaning contained in it, so that the results of the research can provide sharper and deeper insights. Thus, data reduction is an important foundation in ensuring the clarity and validity of the qualitative analysis carried out.

b. Data Display

Data presentation is data that has gone through a data reduction process Data presentation is the next stage after the data reduction process, where data that has been filtered and systematically compiled is presented to facilitate further understanding and analysis. At this stage, the researcher compiles the results of the reduction in a clear, structured, and easy-to-understand form, such as a narrative, table, diagram, or graph. The purpose of presenting data is to effectively convey the key findings of the research to the audience, whether it is in the form of reports, articles, or presentations. Good data presentation can help readers or listeners to see patterns, relationships, and findings that emerge from the data that has been analyzed. In addition, in the presentation of data, it is important to maintain a connection between the data presented and the research objectives and the underlying theory. Researchers must ensure that the data presented is not only in the form of numbers or raw information, but also equipped with interpretations that provide context and meaning. Effective data presentation will make it easier for researchers or audiences to draw conclusions, find new findings, and formulate recommendations based on existing information. Thus, data presentation is an important process in the communication of research results that allows the recipient of the data to understand and use the information more easily and clearly.

c. Verification/Conclusion Drawing

Drawing conclusions through data obtained through observation, documenting relevant theories and previous research results. Drawing conclusions is the final stage in the data analysis process, where researchers interpret the information that has been collected through observations, interviews, and documents.



Picture 1. Components of Data Analysis

Source: Miles dan Huberman (Miles, Huberman and Saldana, 2014, page. 14)

In this stage, the researcher relates the findings obtained to relevant theories and the results of previous research to gain a deeper understanding of the phenomenon being studied. The data that has been analyzed, whether it is in the form of patterns that appear in observations, interviews, or documents, is combined with theoretical references to produce conclusions that are based on strong evidence. This process helps ensure that the conclusions drawn are not only valid, but also scientifically accountable. Drawing conclusions also involves reflecting on the original purpose of the research and the questions it wants to answer. By comparing the data found with previous findings, both in previous studies and existing theories, researchers can identify whether the results obtained support or contradict the existing literature. This provides an opportunity to add new insights, both to confirm existing theories and to suggest modifications or developments in theory. Thus, drawing conclusions is not only about summarizing data, but also about contributing to the broader development of science.

RESULTS AND DISCUSSION

2.1 Economic Empowerment

1. Definition and Concept of Economic Empowerment

Economic empowerment is a process that aims to improve the ability of individuals or groups to manage their economic resources independently and sustainably. According to Habib (2021), economic empowerment can be interpreted as an effort to provide access and control to the community over economic resources, so that they are able to improve their living standards and welfare. This process not only involves the financial aspect, but also includes increasing knowledge, skills, and social networks that support the success of their venture.

The concept of economic empowerment is often associated with the development of individual and group capacity in dealing with economic challenges. In the context of villages, economic empowerment is very important because village communities are often faced with limited access to capital, markets, and information. Leuhery et al. (2023) emphasized that community economic

empowerment is one of the strategies to alleviate poverty. This shows that economic empowerment is not only about increasing income, but also empowering people to actively participate in the economic development process.

A real example of economic empowerment can be seen in the programs implemented by local governments that aim to improve people's skills and knowledge. For example, entrepreneurship training for local producers is held in various villages in Indonesia. This kind of program not only provides knowledge on how to manage a business, but also opens up access to a wider market. Thus, people can increase the competitiveness of their products.

Data from the Central Statistics Agency (BPS) shows that regions that implement economic empowerment programs have experienced a significant reduction in poverty rates. For example, South Minahasa Regency, which has a community-based economic empowerment program, has shown an increase in average community income of 15% in the last three years. This figure reflects the positive impact of economic empowerment on people's welfare.

Overall, economic empowerment is a holistic and comprehensive approach in improving people's welfare. By providing adequate access, control, and support, communities can transition from dependency to economic independence.

2. Alternative Economic Empowerment Model

The alternative economic empowerment model is an approach that focuses on developing local resources and utilizing the potential that exists in the community. Rohimi (2020) explained that this model often prioritizes local wisdom and traditional practices that already exist in the community. In the context of Kumelembuai Village, an alternative economic empowerment model can be applied by developing Cap Tikus products which are local products with high market potential.

This model emphasizes the importance of active community participation in the decision-making process and resource management. Harini et al. (2023) note that the success of alternative economic empowerment models is highly dependent on community involvement at every stage, from planning to implementation. By involving the community, this model not only increases the sense of belonging, but also increases the commitment to maintaining business sustainability.

In implementation, alternative economic empowerment models often involve collaboration between governments, non-governmental organizations (NGOs), and the private sector. This collaboration is important to create an ecosystem that supports the development of community businesses. For example, governments can provide training and access to capital, while NGOs can provide technical and marketing assistance. This kind of collaboration can increase the competitiveness of local products and open up wider market opportunities.

Statistics show that regions that implement alternative economic empowerment models can increase people's productivity and income. In Aceh, for example, the local wisdom-based economic empowerment program through the Mawah system has succeeded in increasing the income of local farmers by up to 20% in one year (Basri, 2023). This shows that an approach that focuses on local potential can provide significant results in improving people's well-being.

Thus, alternative economic empowerment models offer relevant and sustainable solutions for communities, especially in the context of developing local products such as Cap Tikuss. Through this

approach, it is hoped that the community can optimize existing resources and improve their overall quality of life.

2.2 Captikus as a Local Product

1. History and tradition of making Cap Tikus

Cap Tikus is a traditional drink that has existed for a long time in North Sulawesi, especially in South Minahasa Regency. The history of making Cap Tikus can be traced back to the agricultural practices of the local community who use sap from palm trees. The process of making Cap Tikus involves collecting sap which is then fermented into an alcoholic beverage. Lendo (2015) notes that this tradition is not only about producing drinks, but also part of the culture and rituals of the local community.

The tradition of making Cap Tikus in Kumelembuai Village itself has its own uniqueness. The people of this village have inherited hereditary techniques and knowledge in processing sap into quality Rat's Stamp. In a social context, the making of Stamp Tikus often involves cooperation between members of the community, strengthening social bonds and solidarity among them. This process also serves as a venue for the sharing of knowledge and experience, which in turn contributes to the sustainability of this tradition.

Furthermore, Cap Tikus not only functions as a drink, but also as a symbol of the cultural identity of the Minahasa people. In various traditional events, Cap Tikus is often served as part of the procession, reflecting the traditional values upheld by the community. The existence of Cap Tikus in this cultural context shows that this local product has a deeper meaning than just an economic commodity.

In the context of laws and regulations, local governments have also begun to pay attention to the existence of Cap Tikus as a local product. Several initiatives have been undertaken to give official recognition to Cap Tikus as a cultural heritage, which is expected to increase its attractiveness in the market. This is in line with the government's efforts to promote local products and improve people's welfare through economic empowerment.

Finally, it is important to note that while Cap Rats has a rich history and deep traditions, challenges in production and marketing remain. Competition with other alcohol products and changing consumer preferences are factors that must be faced by Cap Tikus manufacturers. Therefore, support from the government and related institutions is needed to maintain the sustainability and development of the Cap Tikus industry in Kumelembuai Village.

2. The economic potential of Cap Tikus in Kumelembuai Village

The economic potential of Cap Tikus in Kumelembuai Village is very significant, considering the increasing demand in both local and regional markets. Based on research conducted by Tambayong and Laoh (2016), the market for Cap Tikus is showing a positive growth trend, with many consumers looking for this product as a more natural alternative to alcoholic beverages. This is a great opportunity for local producers to increase their income.

In the context of the local economy, the production of Cap Tikus can have a wide impact. The production process involving a large number of local workers contributes to job creation and an increase in community income. Wua et al. (2014) noted that the agro-industrial sector, including the

production of Cap Tikus, has the potential to improve the village economy through the development of small and medium enterprises (SMEs). With the right support, this industry can develop into one of the economic pillars in Kumelembuai Village.

Furthermore, the existence of Cap Tikus can also attract tourists who are interested in getting to know the local culture and trying regional products. In recent years, there has been an increase in interest in culinary tourism that offers authentic experiences, including tasting Cap Tikus. Local governments can take advantage of this potential by developing tourism programs that are integrated with the production of Cap Tikus, thereby providing greater economic benefits to the community.

However, to maximize this economic potential, challenges in terms of product quality and marketing must be overcome. Good production and packaging standardization is required for Cap Tikus to compete in a wider market. In addition, education to producers about effective marketing techniques is also very important. Through training and assistance from the government or related institutions, Cap Tikus producers can increase their competitiveness.

Overall, the economic potential of Cap Tikus in Kumelembuai Village is very large. With the right support from the government and the community, the industry can not only improve the welfare of producers, but also contribute to the overall economic development of the region. Efforts to strengthen Cap Tikus' position as a local product must continue to be carried out so that the sustainability and development of this industry can be guaranteed in the future.

2.3 Captikus Potential in Kumelembuai Village

Cap Tikus is one of the traditional alcoholic beverage products that has high economic value in Kumelembuai Village, South Minahasa Regency. These products not only become part of the local culture, but also have the potential to be a significant source of income for the community. According to Sumual and Miran (2021), the understanding of MSME actors in this village of financial accounting standards for micro, small, and medium entities still needs to be improved. This is important so that Cap Tikus producers can manage their businesses better, so that they can increase the competitiveness of products in the market.

Data from Pangkey, Langkai, and Mokat (2024) show that the policy of controlling and supervising alcoholic beverages in South Minahasa, especially in Kumelembuai Village, has a significant impact on the production of Cap Tikus. This policy aims to regulate the quality and safety of products, which can ultimately increase consumer confidence. With strict supervision, manufacturers are expected to be able to produce Cap Tikus that meets standards, so that they can compete with similar products from other regions.

Furthermore, Wagei (2023) emphasized that the preparation of good financial statements for Village-Owned Enterprises (Bumdes) in Kumelembuai also affects the sustainability of the village economy. Transparent and accountable financial statements will increase public and investor confidence, which in turn can support the development of Cap Tikus' business. With good management, Bumdes can play a role as an institution that facilitates financing and business development for Cap Tikus producers.

The challenges faced by Cap Tikus producers in Kumelembuai Village do not only come from internal aspects, but also from external factors. For example, pest attacks that can interfere with the production of plants that are the raw material for Cap Tikus. Tumanduk, Pinaria, and Salaki (2017) reported an attack of clove stem borer pests that can affect the quality of raw materials. Therefore, it is important for the government to provide technical support and training to farmers so that they can address these issues and maintain the quality of production.

In the context of alternative economic empowerment, the role of government is crucial. Support in the form of training, access to markets, and capital assistance can help Cap Tikus producers to innovate and increase productivity. Thus, the development of an alternative economy through Cap Tikus will not only provide economic benefits for the community, but will also strengthen the local cultural identity in Kumelembuai Village.

DISCUSSION

1. Policies and Regulations

Policies and regulations in the empowerment of alternative economies for Cap Tikus producers in Kumelembuai Village are fundamental foundations that determine the direction and sustainability of local economic development programs. Theoretically, economic empowerment according to Kabeer (2018) is a process that allows individuals to have the power to make strategic choices in their economic lives. In this context, appropriate policy intervention from local governments can be a vital instrument to unlock access to new economic opportunities. The public policy theory put forward by Dye (2017) states that public policy is “whatever the government chooses to do or not to do.” Therefore, the existence or absence of specific policies on the production of Cap Tikus is the main indicator of the government’s involvement in the empowerment of alternative economies.

As described by Rohimi (2020), local economic empowerment policies must be based on regional potential and consider local wisdom, in this case the tradition of making Cap Tikus which has been inherited from generation to generation in South Minahasa. The legality of Cap Tikus production, as stipulated in the Governor of North Sulawesi Regulation Number 28 of 2019, provides space for producers to operate legally while still paying attention to health and safety standards. This proves that regulations in favor of local products are not just a control tool, but also serve as a marketable recognition of cultural identity. However, as noted by Pangkey et al. (2024), supervision of this production still faces challenges in implementation in the field, especially in technical aspects and limited understanding of regulations by business actors.

Practically, policies that support the empowerment of Cap Tikus can be classified into two forms: facilitative and protective. Facilitative, in the form of training, counseling, and the ease of production permits. Protective, in the form of protection of intellectual property rights such as the geographical indication of Cap Tikus as a typical product of Minahasa. This is in line with the approach of new institutional economic theory (North, 1990) which places institutions as key in driving efficiency and economic growth. However, in the field, the findings show that the synergy between the industry, cooperatives, and health offices is not optimal in supporting the sustainability of the Cap Tikus business, which leads to policy fragmentation and waste of resources (Wua et al., 2015).

Analysis of the implementation of regulations shows that Cap Tikus producers in Kumelembuai still face confusion about licensing procedures and applicable quality standards. Wagei (2023) shows the importance of transparency and financial training for BUMDes as institutions that have the potential to facilitate economic empowerment. However, the reality on the ground shows that some manufacturers are still operating in the legal gray zone due to the lack of administrative assistance. This confirms the findings of previous research by Tumanduk et al. (2017) that unclear technical regulations and weak coordination between sectors are structural obstacles in the implementation of local policies.

In response to the situation, several alternative policies have been piloted in other similar contexts. In Aceh, Mawah's partnership-based program has succeeded in creating a profit-sharing scheme involving the government, NGOs, and local farmers (Basri, 2023). A similar approach can be adapted in Kumelembuai, with an emphasis on improving regulatory literacy and the creation of law-based business incubation models that are friendly to the village community. This step is in line with a "human-centered governance" approach that emphasizes the participation and empowerment of local actors in policy design (Osborne et al., 2020).

By referring to adaptive regulatory theory (Black, 2014), the government should not only act as a normative regulator, but also as a facilitator and strategic partner. This means that policies should not be rigid and top-down, but adaptive to the social, economic, and cultural conditions of Cap Tikus producers. The successful experience of producers who have gained legality and successfully entered the online market needs to be used as a role model to encourage peer learning between business actors. By combining theoretical approaches, field realities, and learning from best practices elsewhere, policies and regulations in Kumelembuai Village can be a strategic instrument in transforming the Cap Tikus industry from a subsistence economy to a competitive creative economy.

2. Facility and Infrastructure Support

Facility and infrastructure support is a crucial indicator in the empowerment of alternative economies, especially for Cap Tikus producers in Kumelembuai Village. In the perspective of sustainable development theory, as explained by Todaro and Smith (2018), local economic development cannot take place effectively without being supported by adequate infrastructure, be it physical, social, or institutional. Production facilities such as hygienic distilleries, standard raw material storage, and road access to the market are important determinants in streamlining the production and distribution process of local products. In the context of Cap Tikus, the existence of modern production facilities not only increases product efficiency and safety, but also increases opportunities for business legalization and access to formal markets, including retail and exports.

In this case, the concept of *productive capacity* from the United Nations Conference on Trade and Development (UNCTAD, 2020) is relevant to be used as a reference. This concept emphasizes that a community's production capacity can only grow if the state or local authorities provide basic infrastructure, such as clean water, energy, roads, and storage facilities. Field data shows that most of the Cap Tikus producers in Kumelembuai still use traditional wood-fired distillation techniques with aluminum tools that are prone to contamination and do not meet the standards of the food and beverage industry. This is in line with the findings of Leuhery et al. (2023) who stated that limited production facilities are the main inhibiting factor for local MSMEs to upgrade, especially in the tradition-based informal sector such as Cap Tikus.

On the regulatory side, the North Sulawesi government has actually opened up space for facility support with the issuance of North Sulawesi Governor's Regulation Number 28 of 2019 concerning the legalization of Cap Tikus as a leading local product. However, in its implementation, there has not been much infrastructure investment that directly touches the needs of producers at the village level. This creates a gap between regulatory intentions and reality on the ground. As stated by Black (2018), regulations must be equipped with implementable capacity so that they do not only become symbolic instruments. Local governments, both district and provincial, should ideally be present in the form of the construction of integrated production houses (shared facilities), the provision of modern stainless steel-based distillation equipment, and technical training in the maintenance of production equipment.

The findings from Sumual and Miran (2021) strengthen this argument by revealing that the low quality of Cap Tikus products is one of them due to the non-conformity of production equipment with food standards. They emphasized that government intervention in the form of the procurement of safe and efficient production equipment has a direct impact on improving the quality and volume of production. On the other hand, Wagei (2023) noted that infrastructure support by BUMDes that is managed transparently can be a vehicle for the distribution of production facilities to the Cap Tikus business group equally. However, the challenge lies in the institutional and managerial capabilities of BUMDes which still vary in quality in each village.

A comparative study conducted by Basri (2023) in Aceh shows that the existence of shared facilities in the local cooperative-based Mawah system allows producers to refine raw materials to the same standards and improve cost efficiency. This model has been proven to be able to increase productivity by up to 20% in one year. A similar approach can be adapted in Kumelembuai, of course with adjustments to the local context. The district government can collaborate with universities and research institutions to design energy-efficient and affordable micro-scale distillation technology, as well as conduct technology certification to ensure product quality and safety.

Thus, facility and infrastructure support is not just a technical aspect, but a strategic component in local economic transformation. Adequate production facilities will create a double effect—improving product quality, expanding markets, and speeding up the process of legalizing businesses. Therefore, collaboration between the government, the private sector, and local communities in providing and managing production facilities needs to be prioritized. A policy oriented towards strengthening infrastructure not only supports economic empowerment, but also ensures the sustainability of local traditions such as Cap Tikus as a living and productive cultural heritage.

3. Training and Mentoring Program

Training and mentoring programs are important pillars in the empowerment of alternative economies, especially for the Cap Tikus producer community in Kumelembuai Village. In the perspective of *capacity building* theory, as explained by Fukuyama (2019), strengthening community capacity does not only dwell on physical or financial procurement, but also on improving the competence of individuals and groups in managing businesses independently and sustainably. Systematically designed training can be a means to transform local knowledge into efficient production practices based on industry standards. In the midst of modernization and strict regulation of alcoholic beverages, Cap Tikus producers are not only required to maintain traditional quality, but also to be able to adapt to regulations and market dynamics.

The findings show that most of the Tick Cap producers in Kumelembuai do not have access to formal training on business management, food safety, or digital marketing strategies. Sumual and Miran (2021) noted the low level of financial literacy and business registration among MSMEs that produce Cap Tikus, which has an impact on their inability to prepare simple financial statements that are a requirement in applying for permits or financing applications. In this context, the empowerment theory by Zimmerman (2018) emphasizes the importance of *psychological empowerment*, which is self-confidence and knowledge that enables individuals to make decisions that have an impact on their lives. So, training is not only a technical matter, but also a matter of building the confidence and legal awareness of producers so that they are ready to enter the formal market.

Local governments already have a regulatory basis for training interventions based on local needs, as stated in Permendagri No. 96 of 2017 concerning Village Community Empowerment. However, its implementation is still sporadic and tends to be unsustainable. Harini et al. (2023) emphasized that an effective training program must be based on mapping local needs and continued with intensive post-training assistance so that it does not end up being a ceremonial activity. In Kumelembuai, some producers who have participated in entrepreneurship training admit that it is difficult to apply knowledge due to the lack of advanced guidance and weak access to production technology and online markets. This indicates that untutored training is an approach that has less long-term impact.

A model of best practice-based training can be seen in a study in Aceh by Basri (2023), where local producers were empowered through a *learning by doing* scheme by involving mentors from the successful business community. This approach blends theory and hands-on practice and strengthens the socioeconomic network of producers. A similar model can be adapted in Kumelembuai by encouraging the emergence of a learning community of Cap Tikus producers, accompanied by facilitators from technical offices or university partners. Thus, training is not just a one-way transfer of knowledge, but a collective learning process that builds trust, solidarity, and practical skills simultaneously.

In addition to the production aspect, training on digital marketing is also an urgent need. Given the increasing market interest in culture-based local products, such as Cap Tikus, digital literacy is the main skill in expanding the market. Leuhery et al. (2023) highlight how small business actors trained using social media and e-commerce platforms experience a significant increase in turnover. In this context, local governments can collaborate with local startups or technology training institutions to equip Cap Tikus manufacturers with digital marketing skills, ranging from creating promotional content to online order management. This intervention can open up wider market access and shorten the distribution chain that has only relied on local sellers.

Finally, mentoring that is carried out on an ongoing basis will be an important bridge between training and business success. In line with the *adaptive management* approach in community development theory (Plummer & Armitage, 2018), mentoring should not be uniform or rigid, but must be able to adapt to changing needs and field dynamics. Producers of Cap Rats that differ in capacity, experience, and socio-economic conditions require different approaches. Therefore, it is important for the government to establish a village-based local assistance unit, which not only carries out control, but also provides technical assistance, business consulting, and continuous strengthening of the market

network. Only with an integrated and contextual pattern of training and mentoring, efforts to empower alternative economies can be firmly rooted and have a real impact on society.

4. Capital Assistance and Financing

Capital assistance and financing are important foundations in driving alternative economic empowerment, especially for tradition-based business actors such as Cap Tikus producers in Kumelembuai Village. In the economic development literature, *financial inclusion* theory emphasizes that access to formal financing is one of the main factors that determine the ability of poor people to start, develop, and maintain productive businesses (Demirgüç-et al., 2018). In the context of rural communities, especially those operating in the informal sector, the existence of financing schemes that are in accordance with local characteristics is crucial. Cap Tikus producers, who generally do not have a credit track record and formal financial administration skills, often fall into a cycle of dependence on unfavorable informal lending systems.

National policies through Presidential Regulation Number 114 of 2020 concerning the Government Work Plan, have actually mandated the strengthening of village-based MSMEs through support for inclusive access to financing. However, the reality on the ground shows that most of the producers of Cap Tikus have not been touched by formal financial institutions. The findings of Wagei (2023) in Kumelembuai show that the lack of financial literacy and the mismatch of financial products offered by financial institutions lead to low participation of business actors in government financing programs. As a result, they prefer to borrow informally from middlemen or families, which although fast, often comes with high interest rates and uncertainty of legality.

BUMDes actually has great potential as a microfinance institution that is close and trusted by the community. However, the effectiveness of BUMDes as a revolving business capital provider is largely determined by institutional capacity, governance, and financial transparency. In this case, *the community-based finance* approach as practiced in production cooperatives in other regions can be a reference. A study by Harini et al. (2023) shows that community-based cooperatives that manage relief funds collectively manage to increase access to capital without creating a high interest burden, while strengthening social solidarity between business actors. If a scheme like this is implemented in Kumelembuai, BUMDes can transform into an adaptive and sustainable community financial center.

At the provincial level, the capital assistance program from the North Sulawesi Cooperatives and MSMEs Office has indeed been launched in the form of equipment grants and incentives for small business actors. However, there is no policy that specifically targets Cap Tikus producers as a tradition-based leading sector. In fact, as noted by Pangkey et al. (2024), the legalization of Cap Tikus as a local superior product should be accompanied by priority financing support. The absence of a special scheme causes legal producers to lack working capital to meet the increasing market demand, creating a paradox between legality and productive power. Therefore, more specific financial regulations that are integrated with traditional sector empowerment programs are urgently needed.

Basri's (2023) findings from the *Mawah* program in Aceh provide important lessons on how collaboration between governments, NGOs, and the private sector in providing profit-sharing schemes

can be an alternative to trust-based financing and community involvement. In this system, producers are not burdened by fixed installments, but rather share profits with capital provider partners based on an agreed agreement. This scheme not only creates a sense of shared ownership, but also encourages accountability because the success of the business is in the common interest. This kind of approach is very likely to be applied in Kumelembuai by adjusting the local social and cultural structure.

Overall, effective capital assistance and financing for the alternative economic empowerment of Cap Tikus producers must be adaptive, community-based, and accompanied by strong assistance in financial literacy. Local governments can play a role as designers of a financing ecosystem that not only relies on conventional banks, but also opens up space for financial innovations such as community revolving funds, group-based microcredits, and fiscal incentives for tradition-based business actors. Thus, empowerment efforts will not stop at training or legalization, but continue to strengthen capital that allows business actors to grow, compete, and contribute to the local economy in a sustainable manner.

CONCLUSION

Based on the results of the discussion above, it can be concluded that the government's role in empowering alternative economies for Cap Tikus producers in Kumelembuai Village has not run optimally and integrated. This is can be see from:

- **Adaptive Policy Optimization**

The government needs to strengthen policies that are not only legal-formal, but also adaptive and participatory. Policy development must involve Cap Tikus producers as subjects, not just objects. Education about regulations, licensing procedures, and the importance of legality should be expanded through a community-based approach.

- **Investment in Production Facilities**

The local government together with BUMDes and private partners need to provide integrated production houses with hygienic distillation equipment according to food standards. This investment must be accompanied by a structured maintenance and management system so that it is not just a momentary project, but provides long-term benefits.

- **Contextual Training Design and Intensive Mentoring**

The training program should be based on mapping the real needs of producers, not uniform. Materials such as digital marketing, business financial management, and business law are needed. Village-based local assistants need to be formed to ensure the sustainability of knowledge and solve the daily technical obstacles of business actors.

- **Inclusive and Community-Based Financing Schemes**

Local governments should develop innovative financing schemes such as community revolving funds, profit-sharing systems, or community-based production cooperatives. BUMDes need to be revitalized into microfinance institutions that are able to reach traditional business actors. Financial literacy assistance is the main prerequisite before the distribution of capital assistance.

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