Driving Prosperity: Assessing Empowerment, MSME Performance and Welfare

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Micro, small, and medium-sized companies (MSMEs) play a critical role in improving societal well-being. However, empowering programs are critical to the success of MSME practitioners. Despite considerable initiatives in Banda Aceh to empower MSMEs, the direct impact on practitioner welfare remains unknown. The purpose of this quantitative study is to investigate the impact of empowerment effectiveness and MSME performance on practitioner wellbeing in Banda Aceh. The study includes 9691 MSMEs, based on data from the MSME Office of Cooperatives and MSME Aceh, and using random sample methodologies. A Likert scale was used for measurement. The data show that, while empowerment has a moderate impact on MSME welfare, MSME performance has a strong and meaningful influence. Furthermore, empowerment effectiveness and MSME success, when combined, contribute significantly to the welfare of MSME practitioners in Banda Aceh, accounting for 31.014% of the variance. This study emphasizes the necessity of not only empowering MSMEs but also improving their performance in order to significantly boost practitioner welfare.

Keywords: *Empowerment, MSMEs, Performance, Practitioner Welfare, Prosperity*

INTRODUCTION

Micro, small, and medium enterprises (MSMEs) primarily increase human welfare and feature the power to absorb labor, poverty comfort, and regional and country-wide monetary boom. In Indonesia, MSMEs are one of the helping sectors for financial increase. Primarily based on statistics from databoks.Katadata.Co.The information suggested by the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM) suggests that Indonesia's total range of MSMEs will exceed 8—seventy-one million business devices in 2022.

But, to realize precise MSMEs and prosper the practitioners, MSMEs need to be empowered. MSME empowerment is a strategic step in increasing and strengthening the basis of the financial existence of most Indonesian human beings, particularly through presenting employment and reducing inequality, and decreasing poverty tiers. As mentioned in research conducted by Yola Harninda (2022), the role of the Banda Aceh City government in empowering MSMEs in the coffee processing industry is by assisting with facilities, training, and coaching, but this has not been realized optimally.

In Indonesia, the vital function of empowering MSMEs is increasingly being felt in the technique of country-wide economic improvement. First, the existence of MSME activities becomes a critical supply of activity creation and the principle of using force for nearby monetary improvement in rural regions. Law No. 20/2008 concerning MSMEs described empowerment as an attempt performed through the government, nearby government, business world, and Society synergistically in the form of climate boom and business improvement for MSMEs so that they can grow and become strong and unbiased agencies. Typically empowered MSMEs have effective overall performance. The performance of UMKM is the extent of achievement of UMKM in a certain period. MSME performance can be seen from the marketing performance applied to the approach.

In Banda Aceh, the life of MSMEs has given a totally important means in imparting a supply of livelihood for the network. With the increasing variety of unemployed in Banda Aceh town, mainly after the depletion of oil and gas and the vulnerable increase of industries, MSMEs have become an opportunity issuer of employment possibilities in Banda Aceh town. Although the government has undoubtedly supplied assistance for MSMEs in Banda Aceh town, the top-quality contribution of MSMEs to the economic boom of Banda Aceh town depends on the productivity of MSMEs and the entrepreneurs themselves. (Nazaruddin, 2015: four). Quoting Mimiasri, Hadi, N & Saputra, A (2022), the total variety of MSMEs in Banda Aceh in 2022 is 9691, primarily based on MSME information from the Aceh Cooperative and MSME office.

Quoted from *dialeksis.com*, the appearing Mayor of Banda Aceh, Bakri Siddiq, stated that MSMEs should be empowered. Many MSMEs in Banda Aceh have been empowered. However, it is not known whether empowered MSMEs impact the welfare of the practitioners. Related to MSMEs in Banda Aceh, research has been carried out on the practitioners that influence the development of MSMEs, which state that the age of MSMEs and the range of workers no longer affect the development of MSMEs in Banda Aceh town (Mimi, Nasrul, and Aiyub: 2022). However, it has not been studied approximately the impact of empowerment and performance of SMEs.

Based on the phenomenon above, the researcher is interested in conducting studies to investigate the effect of the effectiveness of empowerment and performance of MSMEs on the welfare of MSME practitioners in Banda Aceh. Based on the phenomenon above, the researcher is interested in determining the effectiveness of empowerment and performance of MSMEs on the welfare of MSME practitioners in the metropolitan city of Banda Aceh. This research will contribute to the government of Banda Aceh City in making decisions and policies related to MSME empowerment programs.

LITERATURE REVIEW

Many studies have been thorough about SMEs in the city of Banda Aceh, such as the analysis of micro, small, and medium enterprises (MSMEs) in the trade sector in Banda Aceh City conducted by T. Sultan Mulia Nurrahman, Fikriah (2017). This study aims to analyze micro, small, and medium enterprises (MSMEs) in the trading sector in Banda Aceh City. This research is more focused on looking at the relationship between internal (economic) practitioners, namely assets, capital, employment, turnover, profits, loans, and loan settlements, as well as external practitioners (non-economic), namely the perspective of the population which consists of motivation to become an entrepreneur and type of merchandise entrepreneurs on the development of SMEs in the trade sector in Banda Aceh City.

In addition, there is research entitled Effectiveness of Utilizing E-Commerce-Based Information Technology in Micro, Small and Medium Enterprises (MSMEs) of Food Products in Banda Aceh City Handhika Kusuma, Lukman Hakim, Agus Nugroho (2020). This study aims to determine the effectiveness of using e-commerce-based Information Technology in Micro, Small, and Medium Enterprises (MSMEs) in Banda Aceh City.

However, we want to examine new things about MSMEs in Banda Aceh City, namely, to analyze the effectiveness of empowerment and performance of MSMEs on the welfare of MSMEs practitioners in Banda Aceh City.

Empowerment Effectiveness

Effectiveness is key to achieving the dreams or goals determined in every agency, hobby, or software. It is called effective if the desires or objectives are achieved as decided. In quick, effectiveness is a measurement of the experience of reaching predetermined desires. According to Pekei, Beni (2016), effectiveness is the connection between output and

desires, or it may also be stated to be a degree of the extent of output, policies, and approaches from the employer. Effectiveness is likewise related to the diploma of success of an operation in the public quarter, so a hobby is said to be effective if the hobby has a major impact on the ability to provide community offerings, which is a predetermined goal.

Meanwhile, empowerment targets to cast off as many limitations as feasible so that you can lose the employer and the people operating in it, releasing them from the boundaries that sluggish down reactions and prevent their movements. Empowerment is giving responsibility and authority from superiors to personnel, which involves sharing records and knowledge to guide and develop personnel in performing according to organizational dreams, which can be stated in a scoring unit as a benchmark (Hasibuan, 2018). Empowerment goals are to eliminate as many limitations as possible to unfasten the business enterprise and the human beings working in it and launch them from the barriers that slow down their reaction and avoid movement. Conger & Kanungo (2018) define empowerment as growing self-confidence (self-efficacy).

The idea of empowerment achieved pursuits at empowering the financial and social fields, with the goal that the goal group can control their business, then market and shape a notably solid advertising cycle so that the goal institution can perform its social capabilities again in step with their social roles and obligations. Community empowerment is a fundamental element that enables a society to continue to exist and, in a dynamic feel, develop itself and reap progress. Network empowerment is a source of what political phrases understand as national resilience.

In step with Soebianto (2017), indicators of empowerment are as follows (A) Recognition is a notion about socialization, combating electricity, motivation obtained and owned via MSME practitioners (B) Capacity constructing is a notion about presenting education, granting enterprise licenses, supplying capital, and making ready enterprise places for MSME practitioners (C) Empowerment is a notion of coaching, steering, help, and authority/opportunities for education, schooling, steerage, help, and monitoring accomplished by the government through organizations with hyperlinks to the MSME institution.

MSME Performance

Overall performance is human conduct in an employer that meets the requirements of behavior set to attain the favored outcomes, both in amount and nice. Fahmi (2018: 2) said that performance is the result acquired by way of an employer, both the corporation-orientated and non-earnings oriented which is produced over a period. Overall performance also can be interpreted because the result of labor is exceptional. This amount is completed utilizing someone in sporting out tasks consistent with the responsibilities given (Mangku Nagara 2015: 22). Overall performance is prompted by using numerous elements, together with the effectiveness of the balance between work and the surroundings this is close by and consists of people, assets, clarity of labor and feedback.

In step with Magdalena Silawati et al (2016: 1365)

in her research, the overall performance Variable is a measure of increasing business activities of MSME practitioners in realizing the purpose, specifically via indicators are as follows (A) Sales growth Is how the response of respondents to the extent of sales increase (B) Capital boom Is how the response of respondents to the level of capital boom (C) Exertions boom Is how the response of respondents to employment absorption (D) Income boom Is how the response of respondents to the average income boom.

In step with Jerry (2019: 63), To decide the standards for MSMEs to be blanketed in micro, small, and medium organizations, it can be seen from the internet worth and the dimensions of the yearly income of the commercial enterprise. The standards are as follows:

1. The standards for Micro companies are as follows (A) Have an internet worth a maximum of Rp. 50,000,000.00 (fifty million rupiah) except land and homes for commercial enterprise premises or (B) Have annual sales outcomes of Rp 300,000,000.00 (three hundred million rupiah) at most.

2. The criteria for small agencies are as follows (A) Has a net real worth of more than Rp. 50,000,000.00 (fifty million rupiah) up to most of Rp. 500,000,000.00 (5 hundred million rupiah) apart from land and buildings for enterprise premises or (B) Have annual income results of extra than Rp. Three hundred,000,000.00 (three hundred million rupiah) as much as most of Rp. 2,500,000,000.00 (two billion 5 hundred million rupiah).

In keeping with Tri (2018: 18) the standards for medium establishments are as follows (A) Has an internet well worth greater than Rp. 500,000,000.00 (five hundred million rupiah), as much as most of Rp. 10,000,000,000.00 (ten billion rupiah) except land and buildings for commercial enterprise premises or (B) Have annual income effects of extra than Rp. 2,500,000,000.00 (billion five hundred million rupiah) as much as a maximum of Rp. 50,000,000,000.00 (fifty billion rupiah).

Welfare of SMEs

Ismail et al. (2015) stated that welfare is a summary idea because its lifestyles are immediately associated with the values of life and ideology that a person adheres to. Welfare is not always interpreted as a measure of fabric availability but wishes to be connected to the state's lifestyle outlook. Welfare is not always the most effective for the best character; additionally, the purpose of a group of individuals who are accumulated in a country so that kinds of welfare emerge, particularly character welfare and social welfare.

The level of economic welfare is the economic condition of the network as measured by way of working capital, asset possession, income, meals consumption, way of life, schooling, health insurance (BPJS), savings, and safety (Huang, Hu, Gu, & Liu, 2017; Wardhani, 2013). Signs of Welfare of MSME Practitioners, particularly as follows (A) Profits (B) Education (C) Health (D) Safety.

METHOD

Research Design

The method used in this study is a quantitative technique. In keeping with Sugiyono (2015: 13) studies, facts on a quantitative method are inside the shape of numbers and analysis of the usage of records. The cause the researcher makes use of a quantitative method is because the researcher intends to remove subjectivity in studies. Via this technique, it is possible to draw a feature or description of certain situations, conditions, or variables to the surface of the respondents who are the research item.

Research Locations

This research was conducted in the city of Banda Aceh. The object of this research is UMKM in Banda Aceh City.

Population and research sample

The approach used in this study is a quantitative technique. This research was conducted in the city of Banda Aceh. The object of this research is MSMEs in the city of Banda Aceh. The total number of MSMEs in Banda Aceh in 2022 is 9691. The population of this study is MSME practitioners in the city of Banda Aceh who have received empowerment.

This study uses a random sampling approach because individual samples from a population are collected randomly without distinguishing strata in the population. This ensures that every member of the MSME population in Banda Aceh included in the category has the same opportunity to be selected as a sample.

Every MSME has the same opportunity to be part of this research. From the existing population, a complete sample of 30 respondents was taken, MSME practitioners who had been empowered in the metropolitan city of Banda Aceh—the use of random samples produced research results that are more representative and can be applied in general. Random sampling can help reduce bias in sampling and allow generalization of research results. Determining the number of samples is primarily based on Roscoe's opinion in Widayat and Amirullah (2014), which states, "In each observation, the number of samples should range from 30 to 500".

The definition of operational variables expressed in the construct in this study uses a Likert scale.

Research Instruments

Validity Testing

Validity is a degree that suggests the behavior or errors of a device (Arikunto 2019: 168); a tool is stated to be valid if the device measures what it needs to degree. To find out whether or not the instrument that has been organized has validity, testing can be finished using construct validity, specifically the concept of measuring validity by trying out whether a device measuring the assemble is according to what is anticipated.

Reliability Test

The definition of reliability is largely the quantity to which the outcomes of a size can be trusted. If the results of repeated measurements are remarkably the same, then the size is considered to have a terrific degree of reliability. Essentially, it is not the measuring device that is reliable, but the facts because we are trying out information no longer a measuring device. The definition of a dependable measuring device means that the measuring tool can express data; this is pretty dependable. However, to shorten phrases, it is frequently said that the measuring device is reliable.

Classical Assumption Testing

Normality

The normality checked whether the residual variables have an ordinary distribution inside the regression model. It is recognized that the t-test and F take a look at expect that the residual values follow an everyday distribution. If this assumption is violated, the statistical check is considered invalid. An excellent regression model has a regular or close to ordinary distribution. The way to discover the normality of the residual is to observe the ordinary opportunity, which compares the cumulative distribution and the normal distribution. The normal distribution will shape an immediately diagonal line, and plotting the facts might be compared with the diagonal line. If the facts distribution is daily, the road that describes the real information will follow or be around the diagonal line.

Multicollinearity

The multicollinearity test objectives checked whether there was a correlation between the impartial variables inside the regression version. The multicollinearity assumption states that the unbiased variable should be free from multicollinearity symptoms. Multicollinearity is a symptom of correlation between impartial variables. An excellent regression model must no longer have a correlation among the independent variables. Detect whether or not there's multicollinearity by searching at VIF (Variable Inflation thing) and tolerance values. The regression version is said to be loose from multicollinearity if the VIF price is <10 and the tolerance is >0.1 (10%).

Heteroscedasticity

The heteroscedasticity looks at pursuits to test whether, in the regression version, there may be an inequality of variance from one residual statement to another. If the variance from one remark residual to any other statement stays, then it is known as homoscedasticity, and if it's miles distinctive, it is called heteroscedasticity. A very good regression version has homoscedasticity or does not have heteroscedasticity. To determine whether there may be heteroscedasticity, the plot graph between the anticipated cost of the established variable (ZPRED) and its residual (SRESID). Detection of heteroscedasticity may be finished via searching at whether there may be a certain sample at the scatterplot graph between SRESID and ZPRED wherein the Y axis and X axis had been predicted, the X axis is the residual (Y anticipated – Y without a doubt) which has been studied. The premise of the analysis is as follows (A) If there may be a positive pattern consisting of the dots forming a sure regular pattern (wavy, widened then narrowed), it indicates that heteroscedasticity has passed off. (B) heteroscedasticity no longer arises if there is no clear pattern and the practitioners spread above and underneath zero at the Y axis.

T-test (Individual/Partial)

The t-test was used with the following standards to check whether the independent variable has a partial effect on the structured variable (A) If t matter < t table or P Value (significant value) > zero.05, then Ho is not rejected (Ha is not universal). This means that the independent variables, in my view (partially), do not affect the based variable (B) If t relies upon > t desk or P cost (enormous price) > 0.05, then Ha is not rejected (Ho is not prevalent). This means that the independent variables individually (partially) affect the dependent variable.

F check (Simultaneous)

To test the giant degree of the unbiased variable (X) with the F, take a look at simultaneously (simultaneously) at the established variable (Y) with the following criteria (A) If F matter < F table or P Value (significant value) > zero.05, then Ho is not always rejected (Ha is not widespread). Because of this, the unbiased variables together (simultaneously) haven't any effect on the dependent variable (B) If F remember > F table or P cost (full-size value) > zero.05, then Ha is accepted (Ho is not commonplace). This means that the unbiased variables simultaneously (concurrently) affect the structured variable.

Information series method

To gain data in discussing this difficulty, the authors carried out a series of records series activities via questionnaires. The information series approach is through a questionnaire, specifically by distributing a number of questions with a sure format and various options to be answered via respondents.

This observation uses a multiple linear regression evaluation version with the following formula:

$$Y = a + b1X1 + b2X2 + e$$

Y = Welfare of SMEs

A = regular

X1 = Empowerment

X2 = MSME performance

B = coefficients X1 and X2, X3

e = mistakes period

RESULTS AND DISCUSSION

RESULTS

Reliability Test

This study applied a reliability test based on Cronbach Alpha, usually used for social science research, to evaluate the reliability of the questionnaire. This analysis is used so that the minimum coefficient may be standard above 0.60. The reliability takes a look and suggests that the overall level of reliability meets the requirements (Malhotra, 2014: 235). For greater info, the value of the alpha fee for each variable is shown in the following table:

[Table 1 about here]

Table 1 shows that the Cronbach alpha value of each

MSME Welfare variable and the Effectiveness of Empowerment on MSME overall performance in Banda Aceh metropolis suggests a Cronbach alpha fee above zero.60. For that reason, it could be interpreted that the questionnaire used to degree the effectiveness and overall performance of UMKM variables at the Welfare of UMKM in Banda Aceh town has a level of accuracy, accuracy, and consistency in expressing positive signs from a group of people, even though it is accomplished at one of a kind instances.

Validity testing

Trying out the validity of the information in this examination was accomplished statistically using the Pearson product-moment coefficient of correlation test with the help of SPSS 17.Zero. Based on laptop output (SPSS attachment), all statements are declared legitimate because they have a full-size level below 5%. If it's achieved manually, the correlation cost obtained for every declaration should be compared with the important fee of the product-moment correlation, where the results show that each statement has a correlation cost above the important fee of 5%, above zero.361 (See desk of Product-moment Correlation important price on position n = 30) so that those statements are sizeable and feature assembles validity or in statistical language, there's internal consistency, which means that these statements degree the same component. Which means the information received is legitimate and can be used for research. Extra details may be seen inside the following desk:

[Table 2 about here]

Table 2 can be interpreted as the selection of purchases, Empowerment Effectiveness, and MSME performance by testing the validity of the data obtained so that it can be used for research. It's because of r-depend > r-desk.

Multiple Linear Regression

To peer the effect of the Effectiveness of Empowerment and overall performance of MSMEs on the Welfare of MSMEs in Banda Aceh city, it may be visible within the table under:

[Table 3 about here]

Based on Table 3, which shows the results of calculating the use of the SPSS program and being the reason for the welfare of MSMEs in the city of Banda Aceh, it can be shown the effect of the multiple linear regression equation as follows: Y = 0.816 + zero.117X1 + zero.681X2 + e.

Primarily based on the results of facts evaluation, to peer the connection and impact the effectiveness of the empowerment and performance of MSMEs at the welfare of MSMEs inside the town of Banda Aceh. The correlation and resolution may be explained as follows (A) Correlation coefficient (R) = zero.716, which indicates that the relationship between Empowerment Effectiveness and MSME overall performance on MSME Welfare in Banda Aceh city is seventy-one. Six percent, which means that MSME Welfare in Banda Aceh town has a sturdy courting to product attractiveness, MSME overall performance (B) The coefficient of willpower (Adjusted R2) is 0.513 or 51.3%. Suggests the extent of the welfare of MSMEs or respondents within the town of Banda

Aceh. It can be explained that the remaining forty-eight. 7% of the welfare level of MSMEs in Banda Aceh town is explained through other variables no longer tested in this have a look at, including facilities, costs, pleasure, and so forth.

Hypothesis test

Test Results t

A partial test was used while examining the practitioners that influence the effectiveness of empowerment to test the significance (actual or not real) of the impact of the effectiveness of empowerment and the performance of SMEs on the welfare of SMEs in the city of Banda Aceh, SME empowerment and overall performance that shows a quantifiable price. as in Table 3. Elements of Empowerment Effectiveness obtain a price of 0.977, the t-desk fee at the 95% confidence stage shows a figure of 1,986 because t-count > t-table costs of accepting Ho and rejecting Ha, which can be interpreted that the Empowerment Effectiveness Practitioner for the welfare of MSMEs in The city of Banda Aceh may not have much influence.

The MSME performance thing obtained a price of five.138 t-desk cost at a self-assurance degree of 95%, showing a figure of 1.986, due to the fact the fee of tcount > t-table then accepts Had and rejects H0, which may be interpreted that there may be an enormous effect between MSME performance elements on MSME Welfare in Banda Aceh town.

F take a look at outcomes (concurrently)

The F-check is used to test the effect of the Effectiveness of Empowerment and performance of MSMEs on the Welfare of MSMEs in Banda Aceh town. The F-matter in this equation is fifty-seven,579 at the same time as the F-table is three,354. Greater details can be seen in the following table:

[Table 4 about here]

Based on Table 4, it may be seen that at an importance level of 5%, the value of F-matter > F-table shows that concurrently, there is a power on the effectiveness of empowerment and overall performance of MSMEs on the welfare of MSMEs in Banda Aceh town so that they accept Ha and reject Ho.

Traditional assumption test

The classical assumption test determined whether the regression version created could be an awesome predictor. The conventional assumption is that the normality, heteroscedasticity, and multicollinearity checks are a good way to be executed.

Normality check

The Normality test is finished to test the regression model, whether the dependent and independent variables have an ordinary distribution or no longer. If the data is commonly dispensed, then the model used is suitable. The effects of the facts normality check the use of the normal P-P Plot of Regression Standardized Residual method may be seen in discern, particularly:

[Figure 1 about here]

Based on Figure 1, it is clear that statistics are commonly distributed, namely by spreading facts along the diagonal line, and its function is close to the diagonal line; in other words, the facts do not flow far from the diagonal line. Therefore, it can be interpreted that the information used in this review is usually given.

Heteroscedasticity

The heteroscedasticity check aims to test whether there is an inequality of variance inside the regression model from the residuals of 1 observation to any other. The way to check heteroscedasticity is by searching the graph. Here, it can be seen the graph plots the anticipated fee of the established variable, namely ZPRED (X-axis) and the residual ZRESID (Y-axis). The effects of information processing display the scatterplot graph may be seen inside the figure, namely:

[Figure 2 about here]

Based on the determination in Figure 2, it can be seen that the distribution of residues is not normal, which is indicated by the scattered tiles not forming a certain pattern. Therefore, it can be concluded that no heteroscedasticity interferes with the metric variables used in this study.

Multicollinearity test

On this look, the multicollinearity is based totally on the fee of the variance inflation thing (VIF) received via statistical calculations, with the provision that if the VIF price > 10 way, there are symptoms of multicollinearity. Conversely, if the VIF cost is < 10, there are no signs and symptoms of multicollinearity (Santoso, 2015: 281). The test consequences show that the VIF cost of each independent variable is 0.550 for Empowerment Effectiveness and 0.550 for MSME performance, as proven in desk IV-nine beneath (full effects see SPSS output).

[Table 5 about here]

Table 5 shows the VIF cost of every impartial variable that's much less than 5.00; because of this, there aren't any symptoms of multicollinearity. In other words, there's a correlation or near courting the various unbiased variables as a predictor variable for the welfare of MSMEs in Banda Aceh city.

DISCUSSION

Based on the analysis results that the researchers did, as shown in Table 3, the empowerment effectiveness variable did not have a positive and significant effect on the welfare of MSMEs in Banda Aceh City. This means that even though empowerment exists, it does not affect the welfare of MSMEs in Banda Aceh City because the empowerment provided has not been effective in prospering MSMEs in Banda Aceh City. This means empowerment does not affect the welfare of MSME practitioners in Banda Aceh City. This is different from previous research conducted by Risdayanti (2021) in Pangkajene Regency. This study explained that MSME empowerment has a positive and significant relationship to the

welfare of MSME practitioners. This study shows that the empowerment (coaching and mentoring) of MSME practitioners influences the welfare of MSME practitioners. If empowering MSMEs strengthens associations, develops promotions, develops equity cooperation, and strengthens capital assistance for MSMEs, it will increase the growth of social welfare so that the community is in a prosperous condition from an economic perspective, healthy and peaceful. Therefore, the Banda Aceh city government needs to evaluate the MSME empowerment program in Banda Aceh so that the empowerment obtained by MSME practitioners can prosper them.

Furthermore, the performance variable of MSMEs on the welfare of MSMEs in Banda Aceh City has a positive influence. This means that with good performance from empowerment, it will produce better product quality. So, if the performance of MSMEs is good, MSME practitioners will feel prosperous. Therefore, there needs to be effort from MSMEs and assistance from the government to realize good MSME performance. The results of this study support research that has been conducted by Risdayanti (2021), which states that the performance variable of MSMEs on the welfare of MSME practitioners has a positive and significant relationship in the research entitled analysis of the effect of empowerment and performance of MSMEs on the welfare of MSME practitioners (object of study in Pangkajene Regency). This shows that the performance of MSME practitioners in carrying out their duties, such as completing a job on time and realizing responsibility at work, can accelerate the welfare of MSME practitioners in terms of job creation, labor, and income from the business being run.

Simultaneously, the effectiveness of empowerment and performance of MSMEs has a positive and significant effect on the welfare of MSMEs in Banda City by 31.014. This means that together, MSMEs' empowerment and performance impact MSME practitioners' welfare. MSMEs feel prosperous when they are empowered and also when they have good performance. The government needs to take a role in empowering all MSMEs in Banda Aceh City. In this empowerment, it must also be considered what the needs of MSMEs are. So that later, with empowerment, the performance of MSMEs will improve, and MSME practitioners will prosper.

CONCLUSION

Based on the results of the analysis that has been carried out, the realization that can be drawn from this study is that the effectiveness of empowerment does not have a large and broad influence on the welfare of MSMEs in the city of Banda Aceh. Therefore, even though empowerment has been carried out, it has not impacted the welfare of MSMEs in Banda Aceh, because the empowerment provided is no longer effective for the welfare of MSMEs in Banda Aceh. Then, the overall performance of MSMEs has a positive and sizable impact on the welfare of MSMEs in Banda Aceh. This means that with good performance from the empowerment results, it will produce better products. At the same time, the effectiveness of the empowerment and performance of MSMEs has an extraordinary and large influence on the welfare of MSMEs in the city of Banda.

Instructions for increasing business income: MSMEs need to be fostered and able to work with partners to get better MSME outcomes. Higher empowerment is needed to accept MSMEs in Banda Aceh.

This research can provide a better understanding of the practitioners that influence the performance of MSMEs and the welfare of MSME practitioners. Thus, this research can provide new insights to the public about increasing the empowerment and performance of MSMEs. In addition, the findings from this study can provide a strong basis for improving government policies in supporting the empowerment and performance improvement of MSMEs. More effective policies can help improve the welfare of MSME practitioners. This research can assist in identifying the practitioners that influence the effectiveness of MSME empowerment programs. This research can contribute to developing more effective empowerment programs to help MSMEs achieve better performance and improve the welfare of MSME practitioners. Through a better understanding of the practitioners that affect the performance of MSMEs and the welfare of MSME practitioners, this research can help improve their quality of life. By encouraging the growth and development of MSMEs, people can experience increased income and better job opportunities.

However, the research that we conducted certainly still has many shortcomings from various aspects. Therefore, further research is needed to compare and research with different variables about MSMEs in Banda Aceh City. Because the City of Banda Aceh is an area that has quite a large number of MSMEs in Aceh Province, it is also necessary to conduct research with the same variables in other regions in Indonesia and even the world.

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TABLE 1 / Research Variable Reliability

No	Variable	Alpha value	Information
1.	MSME Welfare (Y)	0.745	reliable
2.	Empowerment Effectiveness (X_1)	0.763	reliable
3.	MSME performance (X_2)	0.759	reliable

Source: Data processed, 2023

TABLE 2 / Validity Test Results

Variable	The Influence of Empowerment Effectiveness and MSME Performance on MSME Welfare		Mark r-table (n = 30)	Information
	Item	**r-count**		
MSME Welfare (Y)	A1 A2 A3	0,605 0,527 0,592	0,361	Valid
Empowerment Effectiveness (X$_1$)	B1 B2 B3	0,677 0,704 0,429	0,361	Valid
MSME performance (X$_2$)	C1 C2 C3	0,648 0,669 0,465	0,361	Valid

Source: Data processed, 2023

TABLE 3 / Influence of Independent Variables on Dependent Variables

Variable Name	βeta	Standar Error	t count	t table	Sig.
Constanta	0.816	0.460	1.775	2,052	0.081
Empowerment Effectiveness (X_1)	0.117	0.120	0.977	2,052	0.332
MSME performance (X_2)	0.681	0.133	5.138	2,052	0.000

Correlation coefficient (R) = 0.716ᵃ   a. Predictors : (constanta), MSME performance
Coefficient of Determination (R^2) = 0 .513   b. MSME Welfare Variables in Banda Aceh City
Adjusted (R^2) = 0.0496

Source: Data processed, 2023

TABLE 4 / Table of Analysis Of Variance (Anova)

Model	Sum of Squeres	Df	Mean Squeres	F_{hitung}	F_{tabel}	Sig
Regression	8.786	2	4.393	31.014	3.354	0,000[a]
Remainder	8.357	59	0.142			
Total	17.142	61				

Source: Data processed, 2023

TABLE 5 / VIF Value of Each Variable

Variabel	Tolerance	VIF
Empowerment	0.550	1.819
MSME performance	0.550	1.819

Source: Data processed, 2023

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FIGURE 1 / Normality test
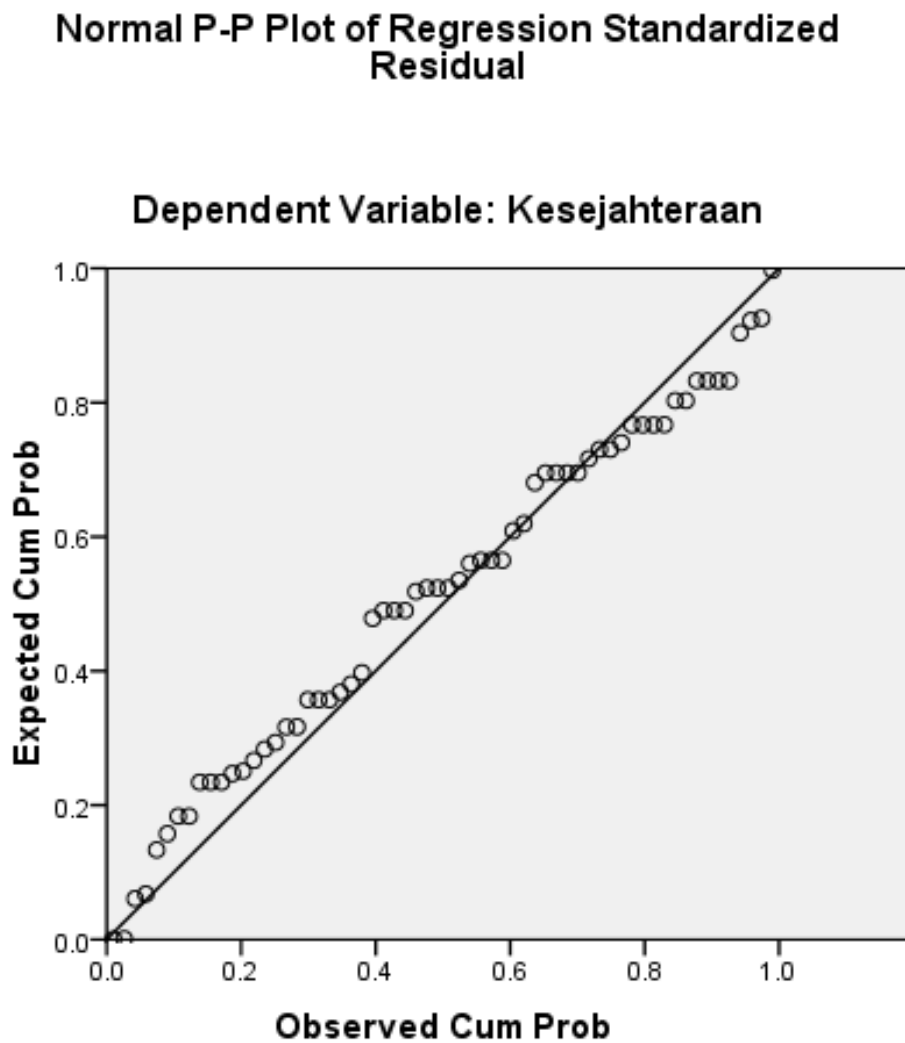

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Kesejahteraan

FIGURE 2 / Heteroscedasticity Test

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Kesejahteraan