

# Strengthening the Rural Digital Economy through Institutional Development with an Asset-Based Community Development (ABCD) Approach: A Case Study in a District, Jember Regency

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## Abstract

**Purpose** - This community service research aims to analyse the process and results of strengthening the village community's economy through institutional development and the implementation of digital economic education using the Asset-Based Community Development (ABCD) approach in Silo District, Jember Regency, Indonesia. The information and communication technology revolution has opened significant opportunities for creating new jobs and addressing structural economic problems in rural Indonesia. However, the utilization of digital spaces in rural areas often remains supplementary and has not become the primary locus for economic empowerment.

**Design/Methodology/Approach** - The study adopts a participatory qualitative approach using the Asset-Based Community Development framework. This was executed in three distinct phases: identifying and uniting local community assets; developing those assets through hands-on mentoring and technology access; and advocating for digital literacy. The research engaged a broad spectrum of stakeholders from village officials to university partners, analyzing the results through the lens of Talcott Parsons' social systems theory.

**Findings** - The results show that the ABCD approach was highly effective in bridging the gap between existing village resources (like internet infrastructure and local leadership) and economic action. This synergy led to the creation of KOMANDO SWADAYA DESA (Komandasa), a dedicated hub for advocacy and creative economy literacy. Our analysis confirms that Komandasa strengthens the village's ability to adapt and stay integrated during digital disruption. These findings prove that when a community's own assets are the foundation, economic resilience isn't just possible, it's sustainable.

**Originality/Value** - This research offers a fresh, localized perspective on the digital economy, moving beyond "top-down" training to "bottom-up" institution building. It provides a practical roadmap for rural digital transformation, demonstrating that the secret to economic resilience lies in multi-stakeholder partnerships and local ownership. The study serves as a scalable model for other rural regions looking to turn digital potential into tangible community wealth.

**Keywords:** *Digital Economy, Rural Development, Asset-Based Community Development (ABCD), Digital Literacy, Economic Resilience.*

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## I. INTRODUCTION

Within the architecture of Indonesia's national economic development, the village holds a strategic role as a buffer for food security, a provider of natural resources, a driver of the local economy, and a frontline for preserving culture and the environment. However, villages also face complex multidimensional challenges, ranging from environmental degradation, massive agricultural land conversion, to low farmers' exchange rates which impact the declining welfare of rural communities. The East Java Farmer's Exchange Rate Index (FER) as of February 2023, which only hovered around 106.41, indicates a thin surplus of 6.41% from agricultural activities to meet daily needs (Statistik,

2024). This condition is exacerbated by the onslaught of a consumptive culture driven by massive urban product advertising, further devaluing the economic capacity of the village.

Amidst these challenges, the digital revolution triggered by advances in information and communication technology (ICT) offers a new paradigm for economic development (Palinggi & Allolinggi, 2020). The concept of the digital economy popularized by Don Tapscott<sup>(2015)</sup> represents a fundamental transformation where digital technology and innovation are integrated into all aspects of economic activity to create added value, increase efficiency, and open new markets. In Indonesia, the consistent annual growth of the ICT Development Index (IDI) of 7.69% (2015-2020) and the expansion of internet infrastructure to rural areas form a potential foundation for incubating a digital economy at the grassroots level (Statistik, 2024).

However, digital disruption also brings dual impacts. On one hand, it gives rise to new business opportunities such as e-commerce, fintech, and edtech; on the other hand, it threatens traditional economic structures unable to adapt (Agahari, 2017). This phenomenon necessitates adequate digital literacy and capabilities, especially for rural communities, to enable transformation from being merely passive consumers into active producers within the digital ecosystem. Unfortunately, various previous studies and community service programs indicate that the utilization of digital space in rural areas remains complementary and has not been made the primary focus of economic empowerment (Arnis Budi Susanto, Didik Pudjo Musmedi2 & Kabupaten, 2022; Cahyana & Garut, 2016; Debi et al., 2021; Gunawan & Hazwardy, 2020; Hariyanto et al., 2021; Masrianto et al., 2020; Putrawan et al., 2019). Most interventions still revolve around the technical aspects of MSME digital marketing, without building sustainable institutions based on local assets.

Therefore, this community service research adopts the Asset-Based Community Development (ABCD) approach as an analytical and methodological lens for building sustainable digital economic education and advocacy institutions in rural areas. Unlike deficit-based approaches focusing on community shortcomings, ABCD emphasizes the identification, mobilization, and strengthening of assets already possessed by the community—be they physical, human, social, or financial—as initial capital for development. This approach is deemed relevant for addressing dependency issues and building self-reliance and economic resilience of village communities.

The research locus is Silo District, Jember Regency, East Java—an agrarian area with significant agricultural potential, yet also facing problems of unemployment, low value-added of agricultural products, and weak farmer group institutions. Through ABCD-based intervention, this research aims to: (1) identify and consolidate strategic assets of the Silo village community relevant to digital economic development; (2) establish and develop digital economic education and advocacy institutions based on local assets; and (3) analyse the contribution of such institutions in strengthening the economic resilience of village communities within the framework of social systems theory (Sumodiningrat, 1999).

Based on the background above, this research is formulated to answer the following questions: How is the process of identification and consolidation of village community assets in Silo District within the framework of digital economic development using the ABCD approach? What are the strategies and operational steps for establishing and developing digital economic education and advocacy institutions based on local assets? What is the institutional form and products resulting from this empowerment process? And how does the established institution contribute to strengthening the economic resilience of the village community viewed from the perspective of social systems theory?

This research provides both theoretical and practical contributions. Theoretically, it enriches the literature on the application of the ABCD approach in the context of the rural digital economy in Indonesia, and integrates sociological analysis through Talcott Parsons' social systems theory to understand the dynamics of the new institution. Practically, this research offers a concrete model for participatory, asset-based, and sustainable rural digital economy institutional development, which can be adopted or adapted by other regions. The findings and recommendations from this research are also expected to provide input for the formulation of more pro-digital and inclusive village policies.

The digital economy is defined as economic activity primarily enabled by digital technology and ICT infrastructure, encompassing business transactions conducted via the internet, digital platforms, and the production of digital goods and services. Don Tapscott (2015) asserts that the digital economy is not merely the automation of old processes, but the creation of new value through open and decentralized collaborative networks. In developing countries like Indonesia, the digital economy is seen as an opportunity to reduce gaps, increase financial inclusion, and empower MSMEs—which are the backbone of the national economy (Rhenald Kasali, 2017).

However, the adoption of the digital economy in rural areas faces a number of obstacles, such as: the digital divide both in terms of infrastructure access and capability; low digital literacy, including understanding of cybersecurity, digital identity, and media ethics; a community mindset that tends to be consumptive rather than productive in the digital realm; and local institutions not yet ready to

accommodate and guide digital transformation. Previous studies have largely focused on technical digital marketing skills training for MSMEs, but have not touched on aspects of building sustainable institutions based on local resources.

ABCD is a community empowerment approach based on the paradigm that every community, no matter how small, has assets or strengths that can be mobilized for development. These assets are categorized into: individual assets (skills, knowledge, experience); associational assets (social networks, groups, organisations); institutional assets (schools, government, religious institutions); physical assets (land, buildings, infrastructure); and economic assets (money, local investment) (Knight, 2010).

This approach is opposed to needs-based or deficit-based models which often position the community as a passive object full of shortcomings and dependent on external aid. ABCD instead places the community as an active subject with the capacity to build itself. Operational steps of ABCD generally include: asset mapping; building internal and external relationships; mobilizing assets for collective action; and sustaining and strengthening empowerment efforts.

In the context of rural Indonesia, the ABCD approach has begun to be applied in various programs, such as village tourism development, revitalization of local wisdom, and women's empowerment (Knight, 2010). However, its application in the field of the digital economy is still limited. This research attempts to fill this gap by applying ABCD to build digital economic institutions that are truly rooted in the assets and local context of Silo village.

In sociology, institutions are defined as structured and enduring patterns of behavior, norms, and roles that are recognized as legitimate by society. These organized structures function to regulate social interaction, provide stability and predictability, and facilitate the achievement of collective goals by establishing clear rules and expectations. They are fundamental to organizing social life around core societal needs such as the economy, politics, family, and education, thereby reducing uncertainty and coordinating collective action within communities, including villages (A Framework for Economic Resilience, 2023; *Digital Rural Development and Agricultural Economic Resilience*, 2025; "Economic Resilience Theory," 2025; "Understanding Social Institutions: Key Examples," 2025).

Strong institutions in rural areas, such as farmer groups, cooperatives, village governments, and religious bodies, play several critical roles. They act as providers of rules that regulate behavior and support social order, reducing transaction uncertainty. Furthermore, they function as mechanisms that facilitate villagers' access to essential resources, markets, and services like credit and information through shared norms and organizational structures. They also serve as arenas for collective learning, innovation, and problem-solving, and are key sources of social cohesion and trust, which enable cooperation and joint economic initiatives (Digital Village, 2017; *Operationalizing Institutions: A Theoretical Framework and Methodological Approach for Assessing the Robustness of Social Institutions*, 2021; *The Impact and Mechanism of Digital Economy on Agricultural ...*, 2025; Müller et al., 2020).

Economic resilience refers to the capacity of an economic system—such as a village community—to anticipate, withstand, adapt to, and recover from various shocks and stresses while maintaining its core functions. Key dimensions of this resilience include *absorptive capacity*, which is the ability to endure an initial shock without collapse, and *adaptive or transformative capacity*, which involves the ability to innovate, reorganize, and alter economic practices post-shock to reduce future vulnerability (*Global Perspectives on Social Institutions, Organizations, and Relations: Beyond Universalisms and Internationalisms*, 2020; "Social Institutions in Sociology | Definition, Examples & Importance," 2025; Unknown, n.d.).

In the era of digital disruption, reliance solely on conventional agricultural sectors is insufficient for village economic resilience, as it leaves communities vulnerable to price volatility, climate risks, and market shifts. Digital transformation presents opportunities for economic diversification and enhanced adaptive capacity. This includes engaging in e-commerce for agricultural products, digital tourism promotion, offering online services, and participating in "digital village" initiatives, all of which expand connectivity, information access, and market reach (*A Sociology of Religious Freedom*, 2024; *Narrative Technologies of Personnel Management in Social Service Institutions on the Example of a Geriatric Department*, 2024).

Institutional strength and digital-based economic resilience are mutually reinforcing in village contexts. Rural institutions are pivotal in enabling digital adaptation by setting inclusive rules for digital platform use and data governance, and by providing training to improve digital literacy. Moreover, they can organize collective investments in crucial digital infrastructure, such as internet access, and coordinate online marketing, branding, and innovation efforts for local products ("Social Institutions," 2024).

Institutional development in rural areas strengthens the rules, resource access, collective learning, and trust that form the bedrock of a community's social and economic fabric. These

strengthened institutional functions directly support the economic resilience of village communities. This resilience is increasingly dependent on the ability to diversify into digital-based economic activities, a process that itself is facilitated and sustained by robust local institutions, creating a virtuous cycle of institutional and economic strengthening in the face of digital-era disruptions (*The Institutional Approach for Modeling the Evolution of Human Societies*, 2016).

To analyse the role of the new institution in strengthening the village's economic resilience, this research uses Talcott Parsons' (Parsons, n.d.1991) social systems theory. Parsons views society as a system consisting of subsystems that interact and depend on each other to maintain balance. For a system to survive, it must fulfill four imperative functions, known as the AGIL scheme: Adaptation (the system must be able to adapt to the external environment and manage resources for survival); Goal Attainment (the system must be able to set and achieve collective goals); Integration (the system must be able to coordinate and integrate relationships among parts within the system); and Latency / Pattern Maintenance (the system must be able to maintain patterns of values and norms, and provide motivation for members to contribute to the system) (Rocher, 1975).

Within the research context, the established digital economic institution (Komandasa) is analysed as a new subsystem within the social system of the Silo village community. The research will examine how Komandasa contributes to fulfilling these four AGIL functions, particularly in helping the village community adapt to digital disruption, achieve the goal of improving economic welfare, integrate various community elements and assets, and maintain values of mutual cooperation (*gotong royong*) and self-reliance in the new context.

## II. METHOD

This research uses a qualitative approach with a participatory case study design. The qualitative approach is chosen as it is suitable for exploring an in-depth understanding of the process, meaning, and social interaction within the context of community empowerment. The case study design allows researchers to investigate the phenomenon of institutional development holistically and in-depth in the real-life setting of Silo District. The participatory nature affirms that this research not only observes but is also actively involved in the empowerment process with the community, in line with ABCD principles.

The research was conducted in Silo District, Jember Regency, East Java Province. The selection of the location was based on considerations: its characteristics as an agrarian area with high agricultural potential but facing challenges of low value-added and weak institutions; the presence of increasingly adequate internet infrastructure; the existence of several potential assets such as Job Training Centers (Balai Latihan Kerja - BLK), Village Smart Houses (Rumah Pintar Desa), and proximity to universities; and the willingness of village government officials and community leaders to collaborate. Research activities took place intensively from September to December 2023.

The research subjects were the village community in Silo District, focusing on youth, MSME actors, farmers, and managers of local institutions. Key informants were selected purposively, including: youth leaders and village movers; village and sub-district government officials; managers of non-formal educational institutions (BLK, *pesantren*); lecturers and students from UIN KHAS Jember as facilitators; and staff of the Community and Village Empowerment Office (Dinas Pemberdayaan Masyarakat dan Desa - DPMD) of Jember Regency.

Data collection was carried out through several techniques, namely: participatory observation, Focus Group Discussion (FGD), in-depth interviews, and document study. FGDs were held twice (FGD I on 11 November 2023 and FGD II on 26 November 2023) involving various stakeholders. Interviews were conducted with key informants in a semi-structured manner to deepen understanding of village conditions, challenges, assets, and expectations towards the new institution.

The empowerment intervention followed three adapted operational stages of ABCD: Stage 1: Asset Identification and Mapping, through initial meetings and FGDs to recognize and list all assets owned by the community and village government of Silo. Stage 2: Asset Development and Mobilization, by analysing the potential of each asset to be developed or combined in supporting the digital economy, and designing and implementing appropriate capacity development activities. Stage 3: Institutional Building and Strengthening, by facilitating a deliberative process to formulate the form, structure, and agenda of the new institution, establishing a formal/informal institution based on community agreement, and setting up work mechanisms, division of roles, and a monitoring-evaluation system to ensure sustainability.

The collected data were analysed interactively and continuously during the research process, following the qualitative analysis model of Miles, Huberman, and Saldana (2014) which includes data reduction, data display, and conclusion drawing and verification. Analysis of the institution's contribution used Talcott Parsons' AGIL framework as an interpretive lens. Research ethics principles

were highly upheld, including: informed consent from all participants; confidentiality of the identity of informants who requested it; mutual benefit, where the research was designed to provide direct benefits to the community; and academic honesty in reporting results.

### **III. RESULT AND DISCUSSION**

#### **RESULT**

##### **1. General Overview and Initial Assets of Silo District**

Silo District is one of the districts in Jember Regency with its main economic base in the agricultural sector (rice, coffee, tobacco, horticulture). Based on initial data and discussions with informants, several fundamental problems were identified: low value-added, weakened functions of farmer institutions, limited access and digital literacy, land ownership issues, and a consumptive mindset. However, behind these challenges, ABCD asset mapping revealed the strengths and potentials possessed by the Silo community.

Physical and Infrastructure Assets included internet networks that have reached most areas, two Job Training Centers (BLK) managed by Islamic boarding schools (pesantren) (BLK Bahrul Ulum in Harjomulyo Village and BLK Al-Hidayah in Karangharjo Village) which have basic training equipment, the Karangharjo Village Smart House (Rumah Pintar Desa) as a community and learning space, and fertile agricultural land with diverse leading commodities, especially coffee.

Institutional Assets included the village government with full authority to manage Village Funds and development programs; the Community and Village Empowerment Office (DPMD) of Jember Regency as technical supervisors; formal educational institutions (elementary, junior high, senior high schools) and non-formal ones (pesantren, BLK); the State Islamic University of KHAS Jember which has a Digital Business Study Program and a commitment to community service; and active but uncoordinated youth groups.

Human and Social Assets consisted of youth leaders and village facilitators with a spirit of service and understanding of village conditions; BLK and Smart House managers with managerial capacity; farmers and artisans with high local skills; still strong social networks, marked by traditions of mutual cooperation (gotong royong) and intensive face-to-face communication; and relatively good trust capital among residents. Financial Assets included Village Funds allocated every year, with priorities that can be directed towards human resource development and the digital economy, and the potential of online marketing which can increase the selling value of local products.

##### **2. Process and Dynamics of ABCD Implementation**

Activities began with intensive communication between the service team (lecturers from UIN KHAS Jember) and a number of key youth leaders and village movers. These face-to-face meetings aimed to build rapport, align perceptions about the importance of the digital economy, and identify "pioneers" or champions who would become the driving force. From the initial meetings, high enthusiasm was seen from the young leaders who felt that digital activities in the village had so far been unfocused and economically ineffective.

Focus Group Discussion (FGD) I as Collective Mapping and Idea Formulation (11 November 2023). FGD I was held at the Karangharjo Village Smart House, attended by 15 participants representing diverse elements: youth leaders, village facilitators, BLK managers, village government representatives, and the service team. The discussion was sparked by a presentation on opportunities and threats in the era of digital disruption, the low FER, and the importance of building asset-based institutions. Important outcomes from FGD I included three main points. First, participants agreed on the initial diagnosis regarding unoptimised agricultural potential, weak farmer group institutions, and low digital literacy.

Second, various solution ideas emerged from different perspectives. Iwan Purnomo as a Village Facilitator emphasized the importance of training for packaging and marketing of MSME products based on local materials and digital platforms. Falian, a young entrepreneur, suggested the need for in-depth study to determine the appropriate empowerment model, and mindset training from consumer to producer. Sigit Musthafa, a community leader, expressed the need for revitalizing the function of farmer groups and advocacy for farmers whose rights had been taken away. Fatoni Aziz, BLK manager, highlighted the great potential of coffee commodities and the need to improve processing quality and public facilities supporting creativity. Imron Rosyidi, village facilitator, explained the priorities for using the 2024 Village Funds that could be synergized, such as economic recovery, labour-intensive programs, and strengthening MSMEs.

Meanwhile, Samsul Hadi Saputra as Director of the Smart House proposed the formation of a social movement involving many movers from various villages in Silo District. Third, a consensus emerged that an institution with broader scope than just digital economic education was needed. This institution must be able to address advocacy issues (farmers' rights, resource access) as well as literacy

(improving production capacity and digital marketing). The name "KOMANDO SWADAYA DESA (Komandasa)" began to emerge as an idea for the institution.

FGD II as Institutional Affirmation and Structure Formulation (26 November 2023). FGD II focused on formulating the concrete form of the Komandasa institution. Through a participatory and democratic discussion process, the following were agreed upon: The Vision and Mission of Komandasa is to become a forum for advocacy and literacy of the rural creative economy to improve the welfare and self-reliance of the Silo village community. The organizational structure of Komandasa consists of Fathor Rahman and Salman Farisi from the UIN KHAS Jember Service Team as Advisors, with Sigit Musthafa as Advisor. Imron Rosyidi was elected as Chairperson, accompanied by Samsul Hadi Saputra as Secretary and Ahmad Syauqi as Treasurer.

There are two main divisions, namely the Advocacy Division coordinated by Falian with members Khoironi and Irham Fahmi, and the Literacy Division coordinated by Fatoni Aziz with members Sidqi Mustofa and Iwan Purnomo. Agreed working mechanisms include bi-weekly routine meetings held rotationally (rotating venues) on Saturday night/Sunday, with each meeting discussing exploration of prospective training participants, determination of timing, and searching for trainers/speakers from internal and external sources, and using a WhatsApp group as a daily coordination medium.

After the structure was formed, Komandasa immediately held its first routine meeting. The initial agenda focused on: detailed re-mapping of assets where each member was asked to map potentials and problems in their village of origin; planning the inaugural training by agreeing to hold basic digital literacy and packaging product training for processed food MSMEs in January 2024; and exploring partnerships by starting coordination with the DPMD of Jember Regency to obtain legitimacy support and program access, while strengthening relationships with UIN KHAS Jember for technical assistance and provision of speakers.

### **3. Outputs and Products Generated**

The main output generated is the KOMANDO SWADAYA DESA (Komandasa) Institution which has been established as a semi-formal institution recognized by its members and beginning to be recognized by the village government, equipped with simple bylaws, a clear structure, and a sustainable work agenda. Additionally, a Digital Asset Map of Silo District was produced as a document mapping all physical, human, social, institutional, and financial assets relevant to digital economic development in the area. An Initial Strategic Plan (Rencana Strategis - Renstra) for Komandasa 2024-2025 was also drafted, containing short and medium-term goals, activity plans (training, advocacy, mentoring), and simple success indicators.

Multi-stakeholder partnership networks have been more systematically established among youth/village movers, village government, DPMD, BLKs, Smart Houses, and universities. Equally important is the increased collective awareness and commitment where involved members and the community show increased awareness of the importance of managing local assets and collaborating to face digital disruption.

## **Discussion**

The findings of this research states that ABCD as a catalyst for asset mobilization and institutional development. The findings reinforce the proposition that the ABCD approach is effective in activating latent assets in rural areas that have been underutilized. The participatory and strength-based process successfully created a high sense of ownership among the community. Unlike "top-down" programs that often fail due to misalignment with the local context, Komandasa was born from the community's own deliberative process. This aligns with findings that the sustainability of a development initiative is highly determined by the extent to which the community feels as the owner and controller of the process.

The ABCD process in Silo also demonstrates the importance of the role of external facilitators (in this case, the UIN lecturer team) who do not dominate, but function as catalysts, discussion sparks, and bridges to external resources (such as access to theory, national networks, and organizing methods). This role is crucial in the initial phase to raise critical awareness and facilitate the collective planning process.

Analysis of the Komandasa institution using Parsons' AGIL scheme provides a deep understanding of its contribution to the resilience of the social system of the Silo village community. Regarding the adaptation function (A), Komandasa acts as a mechanism for the village community's adaptation to a rapidly changing external environment, specifically digital disruption. The institution helps the community by managing new resources, namely identifying and utilizing digital assets

(internet, platforms) as new productive resources, not just entertainment. Furthermore, through the Literacy Division, Komandasa designs training to increase the adaptive capabilities of residents, such as digital marketing, financial technology, and e-commerce. Moreover, Komandasa helps reduce vulnerability by diversifying the economy from dependence on conventional agriculture towards a digital-based creative economy, thus making the community less vulnerable to commodity price fluctuations and the impacts of climate change.

In the goal attainment function (G), Komandasa functions as a collective direction and guide to achieve the goal of improving economic welfare. The institution helps formulate shared goals through jointly formulated vision and mission, making them collective goals recognized and fought for by members. Komandasa also coordinates efforts through an organizational structure with advocacy and literacy divisions, enabling more effective division of labour and coordination in achieving these goals compared to scattered individual efforts. Additionally, through the advocacy of its members who are also village facilitators, Komandasa can influence the priority use of Village Funds to align with the goal of strengthening the digital economy, for example for MSME training or development of village digital infrastructure.

The integration function (I) may be Komandasa's strongest function. The institution successfully becomes an adhesive and integrator for various community elements that were previously fragmented. Komandasa integrates across generations and groups by connecting youth leaders, older farmers, entrepreneurs, facilitators, and academics in one forum. It also integrates across assets by becoming a platform that synergizes physical assets (BLK, Smart House), human assets (resident skills), institutional assets (village government, DPMD), and financial assets (Village Funds).

Furthermore, Komandasa strengthens social solidarity through routine meetings and cooperation in small projects that strengthen social bonds and trust among residents, which is key social capital for larger collective action. In the latency (pattern maintenance) function (L), Komandasa also plays a role in maintaining and transforming local values to remain relevant in the new era. The institution preserves the value of mutual cooperation (gotong royong) through activities such as rotational meetings and voluntary work in preparing training, which is a modernization of the gotong royong tradition.

Komandasa also gradually changes the community mindset through discussions and literacy, shifting mindsets from passive consumers to creative producers, from dependency to self-reliance. Equally important, the existence of an institution managed by the village youth themselves provides new motivation and hope for residents that positive change is possible. By fulfilling these four systemic functions, Komandasa becomes not merely an economic institution, but also a new social institution that strengthens the holistic resilience of the Silo village community in facing the complexities of the digital era.

Although showing positive development, this empowerment process also faces a number of challenges: financial sustainability as Komandasa currently relies on voluntary contributions from members and self-funding; managerial capacity of the board, most of whom are youth and local activists who may have limitations in managing more complex organisations, financial accountability, and program monitoring-evaluation; potential resistance from local elites or groups comfortable with the status quo; limitations of evenly distributed digital infrastructure in some hamlets; and internal organizational dynamics in the form of potential interpersonal conflicts or differing visions that need to be managed well.

Theoretically, this research enriches empirical evidence on the application of ABCD in the Global South, particularly in the context of rural digital transformation. ABCD proves to be relevant not only for traditional issues such as organic agriculture or health, but also for contemporary issues like the digital economy. Integrating Parsons' social systems theory with community empowerment studies offers a comprehensive analytical framework for assessing the impact of an institution not only on economic output but also on social cohesion, cultural adaptation, and system sustainability. Findings on the importance of local champions and reflective external facilitators support participatory development theory which emphasizes equal partnerships and mutual learning processes. Practically, for the government and development planners, the Komandasa model can serve as inspiration for asset-based village empowerment programs.

Village Funds should not only be for physical infrastructure, but also allocated to support the formation and operation of independent learning institutions like this. For universities, UIN KHAS Jember and other universities can institutionalize ABCD mentoring as part of the Tri Dharma (three pillars of higher education), by directing thematic Community Service Learning (Kuliah Kerja Nyata - KKN) schemes to support similar processes in other villages. For communities and NGOs, Komandasa shows that empowerment initiatives do not have to start with large resources, but can begin with simple asset mapping and routine meetings as a strong foundation. For further researchers, longitudinal

studies are needed to measure the impact of Komandasa on increasing MSME revenue, improving FER, and changes in community mindset in the medium-long term, as well as comparative studies with the application of ABCD in other rural contexts with different characteristics.

#### IV. CONCLUSION

This research proves that digital progress in rural areas doesn't have to wait for an outside helping hand; it can flourish from within through the Asset-Based Community Development (ABCD) approach. In Silo, Jember, assets that were previously underutilized from internet infrastructure to collective community spirit were successfully mobilized into a new institution called KOMANDO SWADAYA DESA (Komandasa). Through the lens of Talcott Parsons' social systems theory, Komandasa fulfills the AGIL functions: helping the community adapt to new digital tools, acting as a guide for goal attainment in the creative economy, integrating fragmented social elements, and maintaining the latency of traditional mutual cooperation (*gotong royong*) while shifting the mindset from consumption to production.

The secret to this success lies in the synergy between energetic "local champions" and reflective academic facilitators who support without dominating. To sustain this momentum, we recommend that Komandasa management formalize their Work Plans to secure 2024 Village Funds and proactively bridge partnerships with e-commerce players and Sharia banks. Simultaneously, village and regional governments should provide formal recognition through official decrees, treating Komandasa as a "best practice" model for rural empowerment. For universities, this journey should be integrated into long-term research and curriculum, ensuring that the assistance continues far beyond the initial service period.

Ultimately, the digital revolution is an inevitability that cannot be avoided, but it can be responded to critically and collectively. Komandasa may still be in its early stages, but it represents a powerful seed of hope: that village self-reliance in the digital era is achieved not by waiting for a miracle from above, but by digging up the strengths already hidden within and uniting them under a self-reliant command. By moving from passive victims of disruption to active subjects of transformation, rural communities can ensure that digital progress truly serves the collective welfare.

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