

Implementation Of Micro, Small & Medium Enterprise (Umkm) Assistance Policy

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ABSTRACT

Small and medium enterprises (MSMEs) in Cirebon Regency face several challenges, such as a lack of creating new ideas, a low level of quality of human resources, many MSMEs that do not have official legality and low access to capital. This study aims to understand the implementation process of Cirebon Regent Regulation No. 44 of 2022 which regulates Micro Business Assistance in Cirebon Regency, the research was conducted using qualitative methods through a descriptive approach to describe the phenomena that occur. Policy implementation, according to an analysis based on George Edward III's theory, is influenced by four main factors: communication, available resources, attitudes or dispositions, and bureaucratic structure. These factors determine the success or failure of the policy implementation. The results showed that the implementation of the MSME mentoring policy in the Cirebon district, the implementation was considered quite successful but still less than optimal because there were several problems in it such as social media accounts that were no longer actively providing information, the quantity of mentoring policy implementers was still lacking, and there was no clear SOP in implementing the mentoring policy.

Keywords: Cooperative Office of Small and Medium Enterprises, George Edward III, Communication, Resources, Disposition, Bureaucratic structure

Introduction

Micro, Small, and Medium Enterprises (MSMEs) are the main axis of income for the lower middle class at this time. Because of the existence of MSMEs, the distribution of community income will continue to increase. In addition, the community is also expected to unleash their creativity, which aims to preserve and advance local cultural heritage and traditions. On the other hand, MSMEs can open up employment on a large scale, so the existence of MSMEs is certainly able to reduce the unemployment rate that has been rampant in Indonesia. The existence of MSMEs is essential to keep state revenues stable and improve the Indonesian economy.

Referring to Law No. 20/2008 on MSMEs, the classification of MSMEs based on the assets and turnover of each business scale is as follows:

1. Micro enterprises are businesses with maximum assets of IDR 50 million and turnover of IDR 300 million per year.

2. Small businesses have assets between IDR50-500 million with a turnover between IDR300 million-2.5 billion per year,
3. Medium-sized enterprises have assets between IDR 500 million and 10 billion and a turnover of IDR 2.5 - 10 billion per year.

MSMEs are companies that are independently owned and run by individuals or families. This business also has a relatively small operational scale compared to large companies. (David J. Storey 1988). Meanwhile, MSMEs have become valuable special units that are still autonomous and managed by individuals or business entities from all financial sectors. In general, what differentiates micro businesses (UMI), small businesses (UK), medium businesses (M), and large businesses (UB) is the original asset value (excluding land and buildings), average annual turnover, or the permanent number of workers. . However, based on these three research methods, each country has its own definition of MSMEs ((Mahalizikri, 2019).

MSMEs play an important role in the country's development and monetary work (Muljianto, 2020). Businesses that are able to survive are businesses that are responsive to developments over time, so MSMEs must be able to adapt to current business developments ((Hardilawati, 2020).

MSMEs are companies that are independently owned and run by individuals or families. These businesses also have a relatively small scale of operations compared to large companies (David J. Storey 1988). MSMEs play an important role in increasing GRDP and driving economic growth. The MSME sector contributes 61% of GDP, or IDR 9,580 trillion, and 97% of employment. (Kemenkop Ukm RI, 2023)

Cirebon Regency is an area in Indonesia that has a promising MSME sector. Cirebon Regency has many excellent MSME products, including batik, processed food, rattan, processed fishery products, and processed agricultural products. From year to year, MSMEs in Cirebon Regency also show a significant increase. Especially in the field of trade, the MSMEs of Cirebon Regency have helped the economic growth of Cirebon Regency. The Gross Regional Domestic Product (GRDP) of Cirebon Regency continues to increase every year (Puji, 2019)

Many MSMEs face great challenges in growing their business. Even though they have been managed for a long time and have sufficient capital, they still cannot grow their business. On the other hand, we see many new businesses with small capital that are able to grow quickly because they have extensive networks or partnerships. They are aware of the fact that in the era of globalization, no organization or entity can stand alone without depending on others. to be able to develop it, MSME players need assistance in running MSMEs.

In Regent Regulation No. 44 of 2022 article 1 paragraph 15 reads "Facilitators are people who have the competence of assistance in providing services to micro business actors which include facilitation, advocacy, education, guidance, consultation and assistance as well as carrying out tasks and functions of assistance to micro businesses".

The mentoring program for Micro, Small, and Medium Enterprises (MSMEs) acts as a means to improve the progress of the MSME sector, Assisting Micro, Small, and Medium Enterprises (MSMEs) is a very important step to encourage national economic growth. This is because MSMEs are active in various business sectors, so their role is very significant in increasing income for people with low income. However, the level of compliance and responsiveness of the target group The target group is expected to play an active role in the programs run by the government because this will greatly affect the implementation of government programs (Widyanto et al. 2020).

Cirebon Regency is strategically located along the North Coast of Java (PANTURA), adjacent to the border of Central Java province. Economic development in the trade sector has increased significantly as more vehicles travel through Central Java and East Java. Cirebon Regency is an attractive option for religious and culinary tourism thanks to its strategic location. Every weekend, the area is crowded with visitors from outside the city due to its easy-to-reach transportation facilities. This phenomenon also has a positive impact on the development of trade in Cirebon Regency, especially in the small business sector (Puji, 2019)

Based on data obtained from Kadin RI, the following is data on the number of MSMEs in Indonesia:

Table 1
MSME data in Indonesia

| Tahun | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------|-------|-------|-------|-------|-------|
| Jumlah UMK M (Juta) | 64.19 | 65.47 | 64 | 65.46 | 65 |
| Pertumbuhan (%) | | 1.98% | - | 2.28% | - |
| | | | 2.24% | | 0.70% |

Source: Kadin.id Data and Statistics

The government expects MSMEs to grow rapidly in various regions. Of course, this is something that local governments and the central government are looking forward to, as Micro, Small, and Medium Enterprises (MSMEs) have a beneficial impact in various aspects, especially in driving economic growth in the regions, creating employment opportunities, and absorbing the labor force.

Table 2
Number of MSMEs in Cirebon Regency in 2022

| No | Business Type | Number of Umkm |
|-------|-----------------------|----------------|
| 1. | Food | 18.069 |
| 2. | Trade | 10.113 |
| 3. | Convection | 737 |
| 6. | Services | 1.379 |
| 5. | Agriculture | 48 |
| 7. | Fisheries | 1 |
| 8. | Livestock | 11 |
| 9. | Batik | 400 |
| 10. | Rattan | 18 |
| 11. | Furniture | 12 |
| 13. | Pottery | 0 |
| 14. | Crafts | 88 |
| 15. | Processed Fruit | 1 |
| 16. | Agricultural Products | 3 |
| Total | | 30.880 |

Source: BPS Cirebon Regency

As in other regions, MSMEs in the Cirebon Regency have also experienced significant growth, making it important to provide policy support to maintain their existence and increase their productivity. The local government has implemented various regulations and policies aimed at providing assistance to these MSMEs. Cirebon Regent Regulation No. 44 Year 2022 addresses the Assistance of Micro, Small, and Medium Enterprises (MSMEs). The second part of this regulation emphasizes that the purpose of mentoring for micro-enterprises is to increase the effectiveness of MSME empowerment and development programs. Next, article 4 emphasizes that the objectives of mentoring are to increase the competitiveness of micro-businesses, turn micro-businesses into entrepreneurs, increase turnover, advance micro-businesses from the initial stage to a more advanced stage, and create superior products and business groupings in each region.

In the implementation of the Cirebon Regent Regulation No. 44 Year 2022 policy in the Cirebon Regency area, challenges often arise that cover several aspects, such as the quality of human resources involved in Micro, Small, and Medium Enterprises (MSMEs) that still need to be improved, the number of MSMEs that do not have legal entities is still quite significant, the lack of innovation in products, limited access to capital, and lack of active assistants in the field. Thus, it is important for all parties to realize the importance of advancing Micro, Small, and Medium Enterprises (MSMEs) in the Cirebon Regency area to improve the welfare of the population.

From these problems, we feel interested in conducting further research on this matter "Implementation of MSME Assistance policies in Cirebon district" to find out how the implementation of the MSME Assistance policy in Cirebon district.

Research Method

The descriptive qualitative method was used in this study to describe how the MSME Assistance Policy at the Cirebon Regency Micro, Small, and Medium Enterprises Cooperative Office was implemented. The selection of informants was done purposively by taking a sample of 2 implementers, including the Head of the Micro Business Section and the assistant consultant for the Institutional and HR Sector, as well as 2 MSME actors who have experienced assistance in the Cirebon District. Information retrieval methods involved detailed interviews, documentation, and observation. Interviews were applied one-on-one and transparently, where several questions were asked to the interviewees according to a pre-prepared interview guide. The guide provided direction regarding the overall interview process and content, thus ensuring the planned topics could be covered completely. (Moleong, 2014), The answers from the interview session were to the need to fill in the information required in this research. The analysis method used was a qualitative analysis based on (Miles, 1994) guidelines, which included the process of condensing data, presenting data, and drawing and verifying conclusions.

Qualitative methods in research involve exploring and understanding the significance among individuals or groups involved in social issues (Creswell, 2009).

According to Deddy Mulyana, as expressed in his work entitled *Qualitative Research Methodology*, "Qualitative research methods in the sense of qualitative research do not rely on evidence-based mathematical logic, numerical principles, or statistical methods. Qualitative research aims to maintain the form and content of human behavior and analyze its quality, instead of converting into quantitative entities." (2016: 150)

Result and Discussion

Research Results

The problems experienced by MSMEs in the Cirebon district are: Lack of quality human resources, many MSMEs without legal entities, lack of product innovation, difficult access to capital, and lack of assistance in the field are some of the factors that cause challenges in the development of MSMEs.

The efforts or solutions offered by DISKOPUKM Cirebon Regency to the problems of MSMEs in Cirebon Regency are: conducting entrepreneurship training to increase the competitiveness and innovation of MSMEs, socializing capital to banks, providing licensing assistance so that MSME actors have a business identification number (NIB) as certainty and protection for their businesses.

Discussion

Based on the results of the study, the implementation of guidelines for providing support to micro-business actors in the Cirebon Regency in accordance with the provisions in the Cirebon Regent Regulation Number 44 of 2022 has been carried out. aims to optimize MSME empowerment and development programs, in implementing it is influenced by 4 factors, namely:

a. Communication

The communication process plays an important role in implementing the policies listed in the Cirebon Regent Regulation No. 44 of 2022 concerning Practical Guidelines for Assistance for Micro Businesses in the Cirebon Regency.

The results of the research as well as direct interaction with resource persons confirmed that the implementation of guidance for small businesses in Cirebon Regency was in accordance with the provisions contained in the local Regent Regulation. then the policy implementers have understood their duties as Micro Business assistants, with the socialization given by the Head of the Office to his subordinates, and also by holding monthly meetings for evaluation This indicates that the communication that occurs involves two directions, where there is internal interaction among stakeholders in the Cirebon Regency Cooperative and Small and Medium Enterprises Office.

Transmission plays an important role in the implementation of communication policies. Agustino (2014: 150) states that one of the main obstacles in the communication process is miscommunication, which results in misunderstanding and disrupts the achievement of communication goals. In other words, effective communication is the key to achieving successful implementation. Successful implementation requires decision-makers to have a clear understanding of their duties. The effectiveness of their work and responsibilities increases with clear communication. Therefore, it is important to effectively communicate the program to be implemented to all parties involved. When decision-makers have a clear understanding of the steps required, policy implementation will run smoothly. Effective communication of policy implementation to relevant parties is important to ensure that they understand their duties and responsibilities well so that they can be carried out efficiently.

Based on the results of observations and interviews related to information clarity, the Cirebon Regency Cooperative and Small and Medium Enterprises Office has made extension efforts by utilizing various types of media, such as installing banners in each region, distributing pamphlets, organizing meetings at the People's Business Credit (KUR) event, and through electronic media channels provided by the Cirebon Regency Cooperative and Small and Medium Enterprises

Office. However, it should be noted that the agency is currently not active in using social media platforms such as Instagram, Facebook, and others. This is important because the majority of people in Cirebon District have an account on at least one social media platform, so the Agency's presence there will help in reaching more people. The socialization aims to explain how the policy of Cirebon Regent Regulation No 45 Year 2022 on Assistance for Micro Businesses in Cirebon District will be implemented. In this context, the government agency responsible for the development of cooperatives and small and medium enterprises in Cirebon District stated that it has provided socialization and clarity of information to the people of Cirebon District, especially MSME players. Socialization is an effective method to communicate in the policy process. It is important for information to be explained to policymakers so that they understand the content, objectives, and targets of the policy. Thus, they can plan and prepare everything needed for policy implementation, this is evidenced by the running of several activities carried out by policy implementers, namely:

- a) Licensing Assistance: The Cirebon District Cooperative and MSME Office encourage MSMEs in the region to immediately obtain a Business Identification Number (NIB). The number serves as a single identity that covers all business licenses, provides access to funding sources and business guidance, accelerates the licensing process, and provides the necessary guarantees and protection for their business continuity.
- b) Education and Training: Cirebon Regency provides education and training on entrepreneurship, product packaging, and e-commerce for MSME players in Cirebon Regency. This aims to review and improve the ability of business actors.
- c) UMKM Exhibition/Bazaar: The Office of Cooperatives, Small and Medium Enterprises has a monthly agenda, namely Exhibitions / Bazaars for MSME players. The purpose of this activity is to introduce products from MSME players in Cirebon Regency.
- d) Capital Assistance: The Office of Small and Medium Enterprises Cooperatives has conducted socialization on capital for MSME players in the Cirebon Regency, namely by applying for People's Business Credit (KUR) to banks in the Cirebon Regency.

The interviews showed that the information obtained regarding the fixed consistency in the implementation of the Cirebon Regent Regulation No. 44 of 2022 concerning Guidelines for the Implementation of Micro Business Assistance in Cirebon Regency is appropriate and understood by policy implementers and also consistently provides socialization and training to MSME actors, In 2022, the Cirebon Regency Cooperative and Small and Medium Enterprises Office has held 25 trainings, which then increased to 29 times in 2023. In addition, the internal governance of the office, as stipulated in Regent Regulation No. 44 of 2022, remained consistent without change and took place regularly. However, out of 30,880 MSMEs in Cirebon district, only 250

businesses in 2022 and 338 businesses in 2023 experienced business consultation assistance, indicating that consistency in policy implementation needs to be improved.

b. Resources

Resources in the implementation of the Cirebon Regent Regulation No. 44 of 2022 concerning Guidelines for the Implementation of Micro Business Assistance in Cirebon Regency.

The results of the study confirmed that the implementation of the Cirebon Regent Regulation No. 44 of 2022 concerning Guidelines for Micro Business Assistance in the Cirebon Regency area regarding resources, especially facilities, is quite adequate in quality and quantity because various facilities have been provided by the Cirebon Regency Cooperative and Small and Medium Enterprises Office to support the development of MSMEs, including:

Table 3
Cirebon Regency Cooperative and Small and Medium Enterprises Office to support the development of MSMEs

| No | Fasilitas |
|----|--------------------|
| 1. | Building |
| 2. | Product display |
| 3. | Product photoshoot |
| 4. | Consultation room |
| 5. | Meeting room |

Source: Cirebon Regency Cooperative and SME Office

The workforce or personnel available at the Cirebon District Office of Cooperatives and Small and Medium Enterprises has good quality staff because the assisting consultants have BNSP certificates and the last level of education is at least S1 so that they already have good qualifications to be able to become assisting consultants, even so, the number is still insufficient considering the large number of MSMEs in the Cirebon Regency area. The following are the names of the assistant consultants registered at the Cirebon District Cooperative and Small and Medium Enterprises Office:

Table 4
Names of assistant consultants registered at the Cirebon Regency Cooperative and Small and Medium Enterprises Office.

| No | Name | Education | position |
|----|------|-----------|----------|
|----|------|-----------|----------|

| | | | |
|----|------------------------------|-----|---|
| 1. | Rahmadi, SE, MM | S-2 | Consultant Coordinator |
| 2. | Linda Lelawati, SE,SY | S-1 | Supporting Consultant for Institutional and Human Resources Sector |
| 3. | Sokid, ST, M.Kom | S-2 | Technical Field Assistance Consultant |
| 4. | Dwi Agus Toni, S.I.Kom | S-1 | Assistance Consultant for Strategy and Partnership |

Source: Cirebon Regency Cooperative and Small and Medium Enterprises Office

Success in implementing policies depends on having a qualified and adequate workforce in sufficient numbers. The quality aspect includes ability, commitment, professionalism, and relevant expertise, while the quantity aspect concerns whether the number of workers is sufficient to cover all the intended targets. The presence of a competent workforce determines the effectiveness of policy implementation because, without them, the process will take place slowly. A skilled and knowledgeable workforce is able to carry out tasks more effectively and efficiently.

The interview results show that in the Cirebon District Office of Small and Medium Enterprises Cooperatives, there is an allocation of funds to support Micro Business Assistance. These funds are distributed in the form of honorariums to policy implementers as part of the available resources, but the Cirebon Regency Small and Medium Enterprises Cooperative Office has not been able to provide capital for MSME actors in the Cirebon Regency.

c. Disposition

Disposition or in the implementation of the Cirebon Regent Regulation No. 44 of 2022 concerning Guidelines for the Implementation of Assistance for Micro Businesses in Cirebon Regency

The findings of the study indicate that the attitude possessed by policy implementers in assisting the parties involved in implementing the policy has a significant impact on the implementation process. The Cirebon Regent Regulation No. 44 of 2022 concerning Guidelines for the Implementation of Assistance for Micro Enterprises in Cirebon Regency has not been running well because there is still incomplete latest and previous data on the number of MSMEs, and also data on the total income of MSMEs in Cirebon Regency, which should be data on the number and income of MSMEs is important to be able to map UMKM assistance in Cirebon district.

The knowledge and understanding of policy implementers in implementing the Cirebon Regent Regulation No. 44 of 2022 concerning Implementation Guidelines for Micro Businesses in Cirebon Regency is quite good because before entering as a companion consultant in the selection there is a competency test on understanding MSMEs, as well as socialization after being appointed as a companion consultant. The success of policy implementation is strongly influenced by the disposition of the individuals who implement it. A good disposition in policy implementers is an important key in determining the successful outcome of a policy. then policy implementers can implement policies well, in accordance with what policymakers want.

d. Bureaucratic Structure

The bureaucratic structure in implementing the Cirebon Regent Regulation No. 44 of 2022 concerning Guidelines for the Implementation of Micro Business Assistance in Cirebon Regency, is in accordance with its duties and does not deviate from the division of their respective duties, both in terms of implementation, supervision, and control. It's just that there is no clearly organized SOP regarding the implementation of this assistance policy, this can be an obstacle for the Cirebon Regency Small and Medium Enterprises Cooperative Office.

Fragmentation is one of the dimensions in the bureaucratic structure, fragmentation that occurs in the implementation of the Cirebon Regent Regulation No. 44 of 2022 concerning the Implementation of Micro Business Assistance Guidelines in Cirebon District is running well as evidenced by the existence of communication and coordination with outside parties or agencies in the implementation of assistance, for example coordination with regional banks regarding access to capital, and collaboration with each sub-district in Cirebon Regency to carry out socialization and entrepreneurship training. Implementation of umkm mentoring policy in Cirebon district runs

Conclusion

Based on the findings of the study conducted by researchers at the Department of Cooperatives, Small and Medium Enterprises regarding mentoring efforts for Micro, Small, and Medium Enterprises (MSMEs) in Cirebon Regent Regulation No. 44 of 2022 concerning Guidelines for the Implementation of Micro Business Assistance in Cirebon Regency, DISKOPUKM Cirebon Regency needs to increase the intensity of communication between policy implementers and other stakeholders not only through meetings and morning roll call, then to convey information to policy actors, the researcher's suggestion should make social media so that policy actors can find out about information from DISKOPUKM Cirebon Regency. The rest of the Cirebon Regency DISKOPUKM has good consistency as evidenced by the holding of training 25 times in 2022 and 29 times in 2023.

The resources of the policy implementers have good quality, but the quantity needs to be increased so that the implementation of the policy becomes more perfect, the facilities in DISKOPUKM are adequate and need to be maintained, and funds to support

the implementation of this assistance exist in the form of honoraria for accompanying consultants but DISKOPUKM does not receive capital for MSME actors in Cirebon district.

The disposition or attitude of implementers at DISKOPUKM is not going well because of the data gap regarding the number of MSMEs from year to year in Cirebon Regency, so as policy implementers, data collection should be carried out first before implementing this assistance policy, the rest of the attitude of policy implementers has good abilities because they already have certificates and have run the previous Ujikom.

In implementing this MSME assistance policy, DISKOPUKM Cirebon Regency does not have clear and structured SOP to realize policy objectives, therefore DISKOPUKM Cirebon Regency must review the SOPs that will be used in implementing the policy, DISKOPUKM Cirebon Regency has also coordinated with outside agencies or offices to be able to succeed the MSME assistance policy.

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