

Research Article

Strengthening Micro, Small, and Medium Enterprises (MSMEs) in Response to the Policies on the Use of Domestic Products (Case Studi in Bekasi City)

M. Ikhsan^{1*}, Taufik Akbar¹, Meitha Devianka², and Raja Imam Abdullah²

¹Jurusan Administrasi Niaga, Politeknik Negeri Jakarta, Depok, Indonesia

²Politeknik Negeri Jakarta, Depok, Indonesia

Abstract.

The study aims to describe the strengthening of MSMEs carried out by the Bekasi City government in terms of capital, products, and marketing in response to policies on using domestic products within the Bekasi City government. The research used a qualitative approach. Primary data were collected using in-depth interviews with selected informants from local governments, SMEs, and academia. These are the people related to the management of MSMEs so that they understand about the various problems of MSMEs. Secondary data came from electronic media and relevant regional organizations. The data were analyzed using qualitative descriptive analysis. This research found that the Bekasi City government has made various efforts to strengthen MSMEs in Bekasi through the DKUKM. On the product side, socialization and training on home industry food (P-IRT) and P-IRT certification are given to the MSMEs, training is also carried out to improve packaging management capabilities and socialize halal certificates. On the capital side, the Bekasi City government prepares funds for capital through Bank Syariah Patriot, as well as training in preparing financial reports for lending funds to banks. Meanwhile, on the marketing side, the DKUKM Bekasi City held various promotions such as exhibitions, Ramadhan bazaars, bazaars in commemoration of the 25th anniversary of Bekasi City, training on making business identification numbers (NIB), digital marketing training, entrepreneurship training or workshops, socialization and training of home industry food certification (PIRT), training on using Shopee for MSMEs, and curation of the MSME products. Using a qualitative approach, this research can explore more stakeholder views related to the strengthening of MSMEs in response to policies on the use of domestic products, so that it gives different contributions to the theories and practices of the MSMEs development in Indonesia.

Keywords: micro small and medium enterprises (MSME), strengthening, domestic products

Corresponding Author: M.
Ikhsan; email:
m.ikhsan@bisnis.pnj.ac.id

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1. Introduction

1.1. Background

The government has issued several policies regarding the use of domestic products to meet the needs of government procurement of goods and services through the state budget. These policies include Presidential Instruction of the Republic of Indonesia Number 2 of 2022 concerning the Acceleration of Increasing the Use of Domestic Products and Products of Micro Enterprises, Small Businesses, and Cooperatives to succeed the National Movement of Pride Made in Indonesia in the implementation of government procurement of goods/services; Presidential Decree Number 15 of 2021 concerning the National Movement Team to Be Proud of Made in Indonesia; and Joint Circular Letter between Lembaga Kebijakan Pengadaan Barang dan Jasa Pemerintah (LKPP) and the Ministry of Home Affairs Number 027/1022/SJ and 1 of 2022 concerning the National Movement of Pride Made in Indonesia on the Procurement of Goods/Services within Local Governments.

However, the realization of the domestic product (PDN) expenditure is still low, far from the commitment of 40%. Based on data from the Ministry of Home Affairs (2022), until June 3, 2022, the overall realization of PDN spending was 21.84%. It is 28.37% for provincial governments, 20.19% for district governments, and 16.62% for city governments. The realization of PDN, which totals 21.8%, is for overall PDN spending, which includes small, medium, and large business products. When it is traced further, the use of micro, small, and medium enterprises (MSMEs) products is even smaller.

The lack of maximum use of domestic products, especially MSME products, in government agencies and State Owned Enterprises (SOEs) and Local Government Owned Enterprises (BUMDs), is also caused by domestic MSME products that have not been fully able to meet the needs of procurement of goods and services in government agencies. In fact, government policies regarding the use of domestic products in the procurement of goods and services in government agencies are both challenges and opportunities for MSMEs.

Every country faces challenges in MSME development efforts. In various countries, some MSMEs struggle just to survive, some are trying to maintain market share, and a small part is trying to expand the market. Various obstacles are faced by MSMEs, especially lack of access to funding sources, difficulties in marketing their products,

limited access to technological developments, and lack of skilled workers [1]. In Indonesia, various weaknesses are inhibiting factors for MSMEs. Such weaknesses include internal factors and external factors. Internal factors include limited human resource capabilities, low production quality, limited marketing reach, weak market information and market networks, and lack of working capital. Meanwhile, external factors arise due to the lack of development and supervision of MSMEs, such as the lack of precise solutions provided, the absence of monitoring programs, and overlapping policies [2]. MSMEs in India experience various obstacles, the most prominent of which are ill-timed credit, high cost of procurement of raw materials, inadequate infrastructure (including electricity, water, and roads), lack of skilled labor for manufacturing, services, and marketing, and also technological backwardness [3]. In Bangladesh, MSMEs experience several obstacles such as a shortage of raw materials, low technological capabilities, difficult and expensive administrative procedures, and difficulty in obtaining information related to policies and rules. In addition, poor infrastructure networks often disrupt electricity supply, limited access to banks, low quality of labor and technology, and high competition in the domestic market are also challenges for the development of SMEs in Bangladesh [4].

In Indonesia, the government and local governments have made various efforts to strengthen MSMEs, including through the provision of capital and access to capital sources, the provision of Kredit Usaha Rakyat (KUR), improving the quality and capacity of human resource competencies through education and training, improving MSME marketing capabilities, increasing access to business information, establishing mutually beneficial partnerships between business actors (MSMEs, Large Enterprises and SOEs), and so on. However, these efforts have not been able to overcome the problems and obstacles faced by MSMEs. In line with the policy of using domestic products in the procurement of goods and services in government agencies, SOEs, and BUMDs, the right strategy is needed to strengthen MSMEs. The main goal is to increase the competitiveness of MSMEs so that the products of MSMEs can meet the needs of procurement of goods and services in local government agencies.

The issue of MSME involvement in the procurement of government goods and services is a concern in various countries. Judging by its significance, government procurement of goods and services contributes double-digit to gross domestic product (GDP) in most developed countries [5]. In Indonesia, Indonesia as a developing country is spurring infrastructure development. This provides opportunities for construction service contractors, both large and small, to compete for various projects. To implement the

project, the government tendered SMEs that would be involved in infrastructure projects. However, the tender process contains various obstacles that hinder the participation of SMEs in efforts to win government project tenders [6]. In European countries, for example, a recent study on SMEs' access to procurement in the EU since 2014 found that SMEs' success rate in tendering for goods and services procurement is much lower than their contribution to GDP [7]. In Tanzania, in government procurement of goods and services there are problems in bureaucratic processes, injustice, lack of funds, difficult requirements, policies that do not support SMEs to access public procurement opportunities, and corrupt practices in public procurement of goods and services are the main obstacles that make it difficult for SMEs to get opportunities in public procurement of goods and services [8]. In Nigeria, the challenges facing SME procurement practices are disproportionate bid value, large miscellaneous costs, risk aversion efforts, and contract aggregation [9].

Several studies examine MSMEs in Indonesia including research on the right marketing strategy for weaving MSMEs during the Covid-19 pandemic [10]; effective business management strategy [11]; the role of local governments in empowering MSMEs [12]; the role of MSMEs in efforts to increase community prosperity [13]; MSME empowerment strategies in facing the global market [14]; the role of government in coaching small and medium enterprises [15]; strengthening MSMEs as a pillar of economic development [16]; empowerment programs desired by business actors [17]; and on local government strategies in empowering MSMEs [18].

Previous studies related to strengthening MSMEs generally focused on efforts to empower MSMEs in general. While this research is not focused solely on empowering MSMEs in general, but rather on empowering MSMEs in the sense of strengthening the ability of MSMEs to respond to policies on the use of domestic products within local governments, especially in the procurement of goods and services. This point distinguished this study from previous studies. Another different thing is while previous studies used quantitative methods by linking several independent variables with dependent variables, this study uses a qualitative approach so that it can explore more stakeholder views related to the strengthening of MSMEs in response to policies on the use of domestic products. So that this research contributes differently to the theories and practices related to the development of MSMEs, especially in Indonesia. Bekasi City is one of the cities that is highly committed to using domestic products in the procurement of goods and services. This high level of commitment is proven by the success of Bekasi City in achieving first place in the use of domestic products in the

Regency/City category in Indonesia. This study discussed the strengthening of MSMEs in response to the policy of using domestic products in Bekasi City.

1.2. Micro, Small and Medium Enterprises (MSMEs)

The definition of MSMEs is different in each country. The World Bank divided MSMEs into three categories, namely micro enterprises (10 employees), small enterprises (30 employees), and medium/medium enterprises (up to 300 employees). The European Commission defines small business as a business with a workforce of less than 50 people assets equal to less than IDR10 million and a turnover of less than IDR 50 million. Medium enterprises are defined as businesses that have a workforce of less than 250 people with assets equal to less than IDR50 million and a turnover of less than IDR43 million [19].

In Indonesia, the definition of MSMEs is formally formulated in Law No. 9/1999 which was later changed to Law No. 20/2008 concerning Micro, Small and Medium Enterprises. However, Government Regulation No. 7/2021 concerning the Ease, Protection, and Empowerment of Cooperatives, Micro, Small, and Medium Enterprises has revised the above criteria to better suit the latest developments. The criteria for MSMEs are grouped based on working capital and annual sales results [20]. The new regulation changes the proportion of MSMEs nationally, because businesses that were previously in the small category, turn into micro-scale businesses, and previously small and medium-scale businesses also change following these provisions [21].

1.3. Strengthening MSMEs

The government plays an important role in community empowerment, as it has a responsibility to guide and support its citizens. Governments must ensure that people have equal opportunities to access every economic opportunity to improve welfare [22]. Reinforcement in this study is another term for empowerment. Empowerment is related to efforts to increase capacity, especially a group that was previously weak and vulnerable so that it becomes more capable and strong. In short, empowerment is to make vulnerable and weak groups more capable and powerful [23]. Strengthening MSMEs is the role of the government. The role of the government is the actions taken by the government to carry out its obligations as a public servant that aims to prosper

its people [24]. In this study, the role of the government is an activity carried out by local governments to develop MSMEs.

Strengthening MSMEs is very important for the government so that MSMEs can compete and develop due to increasing competition. The development of MSMEs is expected to have a broad impact on the development of other sectors. Strengthening or empowering MSMEs needs to be done through various efforts, including training and coaching to increase knowledge and mastery of technology for the MSMEs, as well as strengthening capital through several banks. The development and role of MSMEs need to continue to be improved because of their resilience in facing various economic crises and opening many jobs which will certainly reduce the unemployment rate. In addition, to strengthen MSMEs as a fundamental national economy, it is necessary to create a conducive domestic investment climate to strengthen the domestic market so that MSMEs can become a buffer for the national economy. Thus, strengthening MSMEs is expected to be a pillar of building the nation's economy [16].

2. Research Methods

The focus of this research is the efforts made by the Bekasi city government, in this case the Dinas Koperasi dan UKM Kota Bekasi (the DKUKM Bekasi City) to strengthen MSMEs. The target is for MSMEs to respond to the policy of using domestic products in the procurement of goods and services within the Bekasi City government. The concept of strengthening in this study is all efforts, actions, or activities carried out by the DKUKM Bekasi City to the MSMEs so that they can become providers or suppliers in the procurement of goods and services within the Bekasi City government. In this study, the concept of strengthening is limited to the three most important aspects that are the problems of MSMEs, namely strengthening on the capital side, strengthening on the product side, and strengthening on the market side.

This study used a qualitative method. The data collected are primary and secondary data. Primary data were collected by in-depth interviews with various parties involved in strengthening MSMEs in Bekasi City and policies on the use of domestic products by the Bekasi City government. The object (target) in primary data collection is all stakeholders involved in the acceleration of the implementation of the use of domestic products in the procurement of goods/services in Bekasi City, especially MSME products. Informants were determined purposively, based on their mastery of the problems faced by MSMEs. They consist of local government elements, private elements, and academic elements.

Secondary data in the form of physical and electronic documents were collected using documentation techniques from the DKUKM Bekasi City and various other sources.

The data was then analyzed using descriptive analysis. Data analysis starts by reviewing and studying the results of previous research on empowering or strengthening MSMEs. After that, the important findings of previous research then be used as comparison material for the obtained primary data. To ensure the validity of the qualitative data, researchers use data validation tools using a triangulation process, especially triangulation of data sources and cross-checking the data validity. This is done by selecting the most competent informants and then cross-checking the validity of the data from several selected informants.

3. Results and Discussion

3.1. Results

Bekasi city government has implemented the use of domestic products in the procurement of goods and services. In the 2022 procurement, the Bekasi City government was awarded the first rank in the use of domestic products in the Regency/City category in Indonesia. The Bekasi city government issued a Circular to the Mayor of Bekasi Number 518/4301-Disdagperin.Industri concerning the Use of Domestic Products for Apparatus within the Bekasi City Government as a follow-up on Presidential Instruction Number 2 of 2022 concerning the Acceleration of Increasing the Use of Domestic Products and Small Business and Coop to succeed the National Movement of Pride of Products Made in Indonesia in The Implementation of Government Procurement of Goods/Services. The instruction is an effort to support the development of the Micro, Small, and Medium Enterprises (MSMEs) and Small and Medium Industries (IKM) sectors so that they can be more independent and empowered and boost economic growth in Bekasi City.

Domestic products used in the procurement of goods and services of the Bekasi City government are partly products from MSMEs in the form of food and beverages. While the user is an Organisasi Perangkat Daerah (OPD) within the Bekasi City government. The DKUKM Bekasi City carries out efforts to strengthen MSMEs through various forms of training. The goal is that MSME products can be displayed in local e-catalogs after meeting various requirements that have been set. Goods and services offered by MSME actors must be included in the local e-catalogs application. Local catalogs prepare storefronts to display MSME products. Until now, there are 27 storefronts in the local

e-catalog of Bekasi City. As of July 2023, there are 855 product providers in the local e-catalog. As of August 31, 2023, the number of providers has increased to 921 providers, both individuals and business entities. The number of products until July 2023 is 18,291 products, while on August 31, 2023, the number of products has increased to 20,658 products.

Procurement of goods and services is carried out through e-purchasing contained in the Electronic Procurement System (SPSE) application which is an e-procurement application developed by the Government Procurement Agency (LKPP). The recapitulation of e-purchasing in the Bekasi City local catalog shows that the number of purchase packages through the local catalog from June 1 to December 31, 2022, is 298 packages. Meanwhile, the number of packages purchased through the local catalog from January 1, 2023, to June 31, 2023, is 1,763 packages. Purchases on the local catalog from June 1 to December 31, 2022, are IDR 27,875,816,038.00. Meanwhile, purchases through local catalogs from January 1, 2023, to June 30, 2023, are IDR 122,023,387,698.00.

The number of MSMEs in Bekasi City is approximately 163,000. Meanwhile, according to BPS data, the number of MSMEs in Bekasi City is approximately 250,000. The types of businesses carried out include trading with as many as 89,693 MSMEs, accommodation, food, and beverages industries with 47,215 MSMEs, processing industries with 12,988 MSMEs, and other types of activities with as many as 53,104 MSMEs. Meanwhile, the number of workers absorbed has been more than 500,000 people. Based on data from the DKUKM Bekasi City, as of December 2022, from that number of businesses, as many as 8,681 MSMEs have received guidance from the DKUKM Bekasi City. MSMEs assisted by the DKUKM Bekasi City come from 56 urban villages in 12 districts in Bekasi City. Judging from the type of business run, the most types of assisted SME businesses are food and beverages (culinary) with as many as 4,228 units, fashion 696 units, handicraft 104 units, dolls 48 units, ornamental fish 44 units, santadoges (abbreviation from sandal, tas, dompet dan gesper or sandals, bags, wallets, and buckles) 36 units, ornamental plants 20 units, embroidery 7 units, and other services 2,203 units.

The units that have been fostered then get a certificate of guidance and enter the list of MSMEs assisted by the DKUKM Bekasi City. They then get priority from the DKUKM to get various facilities, assistance, training, and so on. To become a fostered MSME, MSME actors can register online at the link prepared by the DKUKM Bekasi City using a Gmail account. After registering, MSMEs upload the required documents as Bekasi City KTP, Family Card, Business Identification Number (NIB), Business Certificate (SKU), and product photos in PNG image format.

One of the efforts to strengthen MSMEs in Bekasi City is through the UMKM JUARA program. The program is a program initiated by the DKUKM of West Java Province in collaboration with Bank BJB. The UMKM JUARA program in Bekasi City is implemented comprehensively to overcome various problems faced by MSMEs in West Java Province. In Bekasi City, this program is implemented by identifying, facilitating, strengthening, and developing MSME products in Bekasi City, as well as accommodating the needs of MSME development in Bekasi City. The joined MSMEs will receive a six-month mentoring process. After that, it will continue with business meetings, provincial-level exhibitions, inter-provincial exhibitions, graduations of Champion MSMEs, and foreign exhibitions.

The strategy to strengthen MSMEs in Bekasi City by the DKUKM Bekasi City is carried out in 3 (three) ways, which are empowerment, financing, and promotion. Empowerment to MSMEs is provided in the form of training to MSMEs, from beginner to growing MSMEs. This is because the obstacle often faced by MSMEs is product competition in the market, MSMEs often have difficulty entering the market. The Bekasi City Government sees this and then tries to overcome it by carrying out training, workshops, and so on for MSMEs in Bekasi City. Training is needed because to be able to enter TKDN, MSME products must meet various requirements, one of which is packaging. Therefore, the training activities and workshops carried out include packaging training, business legality training, halal certification training, NIB-making training, PIRT training, and so on. Some trainings were carried out solely by the DKUKM, and several others were carried out in collaboration with universities in Bekasi City.

Strengthening in terms of products carried out by the DKUKM Bekasi City through socialization and training on home industry food (P-IRT) and P-IRT certification. The activity was attended by 53 MSMEs from all sub-districts in Bekasi City. In addition, the DKUKM Bekasi City in collaboration with Tri Bakti Business School (TBBS) held community service activities by providing packaging management skills training to Bekasi City MSMEs. This activity aimed to provide understanding and practical guidance on packaging management to increase added value and increase sales of products packaged with attractive packaging. The Bekasi City Coop and SMEs Department is also conducting socialization on self-declared halal certification, which is a halal certification based on statements of the MSMEs. This socialization was carried out because to this date only approximately 50 MSMEs in the city of Bekasi have halal certificates.

Strengthening in terms of capital is carried out by the DKUKM Bekasi City by supporting the fulfillment of SME capital through Bank Syariah Patriot. In this case, the Bekasi City government provided a stimulus of almost Rp25 billion as additional capital

to Bank Syariah Patriot as a Bekasi City BUMD. Until now, the Bekasi City government has prepared a budget to be used as a revolving loan to MSME players in Bekasi City with a value of up to Rp63 billion at Bank Syariah Patriot Bekasi City. In addition, the Bekasi City government has also provided stimulant funds to MSME players in Bekasi City in the form of providing capital to the MSMEs and also providing business capital funding in the form of revolving credit funds to MSMEs whose amount reaches up to 50 million rupiah.

In the marketing aspect, strengthening MSMEs is carried out by regularly holding exhibitions at bazaars for MSME products in Bekasi City. Bekasi City MSMEs are also included in large national-scale exhibition activities, one of which is the 2023 Creative Economy exhibition. Other efforts were made through training activities, including digital marketing training attended by 50 MSMEs. Digital marketing training for MSME players was also carried out in collaboration with Universitas Islam 45 (Unisma) Bekasi. Another training that was carried out was a training on the use of Shopee services for MSMEs which was held in the Workshop Room of the DKUKM Bekasi City and was attended by 100 participants. MSMEs were also included in the Rekor (Rela Tekor) Bazaar which was held at the Patriot Building, Bekasi City Government which was attended by 40 MSMEs. Bazaar activities were also carried out in the form of Ramadhan Bazaar in Harapan Baru 1, Kota Baru Village, West Bekasi District, and in Perwira Village, North Bekasi District. The MSME Bazaar was also included in a series of events for the 25th anniversary of Bekasi City which was held at the Patriot Hall Building, Bekasi City Government Complex.

The efforts of the DKUKM Bekasi City to strengthen marketing aspects are also carried out through the curation of MSME products. This activity was carried out to increase investment in MSME products in the Bekasi City area. This activity aimed to help MSMEs in Bekasi City to market the products of MSMEs they produce. The curation activity was attended by 50 MSME players who offered as many as 70 products. The DKUKM Bekasi City also collaborates with several modern retailers in Bekasi City so that MSMEs in Bekasi City get a special place, especially food products, to be able to enter modern retail storefronts. To help market MSME products in Bekasi City, the DKUKM Bekasi City also established the MSME Center and the Bekasi City Regional National Handicraft Council Gallery (Dekranasda) located in the Bekasi City Government Complex.

3.2. Discussion

The research found that the Bekasi City government has implemented various efforts to strengthen MSMEs. The efforts made by the Bekasi City government in strengthening MSMEs show that in the development of MSMEs, the role of local governments is realized as facilitators, regulators, and catalysts as carried out by the Tuban Regency [11] and Enrekang Regency Government [15]. In carrying out its role as a regulator, Bekasi city governments make policies and rules that aim to encourage the growth of MSMEs, including easy rules regarding licensing, product certification, business protection, and so on. In its role as a facilitator, the Bekasi city government assists MSMEs in overcoming various problems faced, both internal and external through the implementation of training, workshops, or other programs that educate MSME actors to improve their skills and capacity. In addition, the government also assists in providing facilities needed by MSMEs to market their products, such as promotion centers, organizing exhibitions, and so on. Meanwhile, as a catalyst, Bekasi city governments play a role in providing motivation, enthusiasm, and encouragement to MSMEs to continue to grow. This is done by creating a conducive business environment for MSMEs and encouraging collaboration with various institutions to provide ease of both capital access and market access for MSMEs. These findings confirm the theory that in empowering MSMEs, the government's role is as a regulator, facilitator, and catalyst [22].

Strengthening MSMEs reaches all sub-districts and sub-districts in Bekasi City, but is only carried out for MSMEs that have been registered as MSMEs assisted by the DKUKM Bekasi City. The activities sadly were only able to reach a small number of MSMEs in Bekasi City. The DKUKM Bekasi City needs to expand the scope of strengthening to all MSMEs, not only those registered as assisted MSMEs. Strengthening in this way needs to be done, because like in other regions, MSMEs in Bekasi City also face various problems both in financial and non-financial aspects [25] which then affect the performance of MSMEs. Reinforcement is not only carried out incidentally when needed but accompanied by continuous assistance. One way is to establish several MSMEs in several regions to become pilot projects to strengthen MSMEs. Coaching is carried out with assistance that involves all MSME stakeholders. MSME assistance must be more directed at efforts to improve the ability of MSMEs to be able to upgrade from medium entrepreneurs to large entrepreneurs. Strengthening also needs to include increasing the ability of MSME human resources, because the lack of managerial and

human resources in MSMEs results in small entrepreneurs being unable to run their businesses properly [26].

Strengthening from the product side needs to be done to increase the competitiveness of MSME products through strengthening product quality, improving labeling and packaging quality, and marketing diversification [13]. However, strengthening from the product side has not yet reached quality improvement efforts. Therefore, improving product quality needs to be done so that MSME products have high competitiveness [27]. In addition, the creativity and innovation of the MSMEs need to be encouraged to create new products in response to changes in the business environment based on developments in science, technology, income levels, and consumer tastes. MSMEs need to continue to innovate to gain their competitive advantage both at the local and global levels [28]. Creativity and product innovation are expected to encourage business growth [29]. In this regard, product diversification is also needed to meet the needs of very diverse consumers. This is because MSMEs must be able to meet consumer needs if MSMEs want to survive and develop [27]. MSMEs need to increase human resource capacity. This is so that MSME human resources have high competence, skills, innovation, and creativity so as to encourage increased competitiveness of MSME products both in quantity and quality [30]. Moreover, if it is supported by an attractive brand and label that is easy to recognize, remember, and pronounce, it will have a positive impact on sales and ultimately will also have an impact on business development. Brand innovation, in this case through the use of attractive labels and packaging, in this digital era has become an absolute requirement that must be carried out by MSMEs to increase competitiveness.

Strengthening in terms of capital needs to be done to overcome one of the classic problems faced by MSMEs: the difficulty of accessing sources of capital, especially credit from banks. Bank credit is a product of a bank, where the bank prepares a certain amount of money to be lent to customers in need with the obligation to pay a set interest [26]. In terms of capital to strengthen the performance of MSMEs, there are three parties that play an important role, namely the government, entrepreneurs, and financiers. Financiers in this case are providers of funds, both banks and non-banks. The government is a rule-maker and provides financial and non-financial support for MSMEs. Meanwhile, entrepreneurs are MSME actors who utilize funding sources to meet working capital needs [31]. Bank credit is needed by MSMEs both as working capital and to purchase capital goods used in the production process. MSMEs can develop well if there is a conducive business environment, in the form of open access to productive

resources, especially in raw materials and capital, facilities and infrastructure, market information, capital support, and business licensing [26]. Lack of funds makes MSMEs unable to optimize their potential as economic engines. MSMEs do not exist in a vacuum. Therefore, ease of access to financial resources can help MSMEs improve the quality and quantity of their products, as well as expand market reach allowing them to gain an advantage in their business [32]. Therefore, in an effort to strengthen MSMEs, increase the quantity and quality of MSME production, and increase the competitiveness of MSMEs, capital sources must be easily accessible to the MSMEs. The ease of accessing credit from banks is expected to encourage the development of MSMEs and improve the national economy.

Strengthening in promotion carried out through digital marketing training, bazaars, and product curation is useful for introducing MSME products to the market or consumers. Currently, the growth of electronic commerce (e-commerce) is very high. Digital-based business transactions have changed people's consumption patterns and lifestyles. The use of e-commerce in business brought about a paradigm shift in business practices, which drove the tremendous growth of e-commerce worldwide. The development of e-commerce is very important for third-world countries and developing countries [33]. Business people utilize information and communication technology massively in running their business. This forces MSMEs to adapt to change [34]. The opportunities for MSMEs in using e-commerce are actually very large [35]. MSMEs that do not use the internet can ultimately only reach local markets on a narrow scale. For this reason, one way that MSMEs can do this is by utilizing information communication technology (ICT), which has a very broad reach, reaching national and even global markets [36]. MSMEs can only survive if they trade online or in e-commerce, carry out digital promotions, and maintain relationships with consumers. As business entities that combine various economic resources to produce goods and services that can be sold, MSMEs are required to be more flexible, adaptive, and innovative.

Strengthening MSMEs in Bekasi City has involved various actors, such as local governments, MSME organizations, universities, mass media, and the MSMEs themselves. This is what it should be because MSME development is a big job that cannot be charged to the government and the MSMEs only but requires the involvement of various other stakeholders. The development of MSMEs in the future needs to intensify the involvement of all stakeholders. 5 (five) actors can be involved in the development of MSMEs, called Penta Helix Collaboration or the ABCGM formula which stands for Academy, Bussines, Community, Government, and Media [37]. This Penta Helix model

is a collaboration model which developed based on the Triple Helix Model initiated by Etkowitz and Leydesdorff [38]. The five actors in the penta helix each have different roles and specialties [39, 40]. The involvement of the five actors in strengthening MSMEs, of course, with good collaboration and coordination, is expected to make MSMEs develop optimally [37].

4. Conclusion

The use of domestic products in the procurement of goods and services in Bekasi City is encouraged through policies in the form of a Bekasi Mayor Circular Letter which encourages OPD in Bekasi City to use domestic products, especially MSME and IKM products, in carrying out the procurement of goods and services and helping to promote these products through social media. Strengthening MSMEs is carried out by the Bekasi City government, in this case the DKUKM Bekasi City, both on the capital side, the production side, and the marketing side. The strategy to strengthen MSMEs is carried out with empowerment, financing, and promotion strategies.

Strengthening MSMEs through empowerment is mostly carried out through various forms of training for MSMEs such as entrepreneurship training, business legality, making NIB, preparing financial statements, and others both by the DKUKM Bekasi City itself and cooperation with universities in Bekasi City. Strengthening from the product side is carried out by packaging training, halal certification, and PIRT. Strengthening on the capital side is carried out through the injection of funds into Bank Syariah Patriot Bekasi City to be lent to MSMEs, stimulant funds to the MSMEs, and also business capital in the form of revolving credit funds. Meanwhile, strengthening on the marketing side is carried out through digital marketing training, exhibitions, bazaars, and product curation.

However, efforts to strengthen MSMEs have not been able to reach all MSMEs in Bekasi City but only a small number of MSMEs which registered as assisted MSMEs. Strengthening SMEs through empowerment programs is still carried out incidentally through various trainings, has not been accompanied by continuous assistance, and has not been carried out in the form of empowerment pilot projects that provide ongoing assistance to make MSMEs upgrade to medium to large businesses. In addition, it does not include programs to improve the quality of human resources to be more creative and innovative to increase product competitiveness, as well as business management to make MSMEs bankable to access capital sources. The strengthening activities have also involved all actors following the penta helix concept, but out of all these actors,

the most dominant role is still the government, followed by universities and business actors, while the role of associations and media is still not visible.

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