Empowering MSMEs in Depok City through Government Support and External Aid

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Abstract

MSMEs (Micro et al.) are essential in sustainable development, economic growth, job creation, and poverty alleviation. In Depok City, the government has launched a program to support MSMEs through the Depok City Micro Enterprise Cooperative Service (DKUM). The research described in the text aims to analyze the effect of income and external aid literacy on decision-making for MSMEs in Depok City. The research combines library and observational methods to develop a concept that helps understand social phenomena in natural settings. The study results show that Bank Indonesia is committed to supporting the development of MSMEs through policies that increase their access to finance and build their managerial capacity and capability.

Keywords: MSMEs, economic growth, job creation, Depok City, Depok City Micro Enterprise Cooperative Service (DKUM), income, external aid literacy, social phenomena, Bank Indonesia

1. Introduction

MSMEs (Micro et al.) are essential contributors to sustainable development, economic growth, job creation, public goods and services provision, poverty alleviation, and inequality reduction. They are a significant part of the private sector in developed and developing countries and play a key role in reducing poverty through job creation and economic growth. MSMEs are important drivers of employment, decent work, and entrepreneurship for women, youth, and vulnerable groups.

In Depok City, the government has launched a new business program through the Depok City Micro Enterprise Cooperative Service (DKUM) to revive the economy. The program encourages government officials to support MSMEs by shopping for their products. The government also provides facilities such as training for MSME entrepreneurs to improve the quality of their products and a Final Income Tax discount for business expansion. In 2019, there were 2,746 registered MSMEs in Depok City.

The text presents a research problem and objectives related to the effect of external assistance on MSMEs (Micro et al.) in Depok City. The research aims to analyze the effect of income and external aid literacy on decision-making for MSMEs.

MSMEs are defined by Indonesian Law No. 20 of 2008. According to the law, micro-enterprises are productive businesses owned by individuals or entities meeting specific criteria. Small enterprises are productive economic enterprises that stand alone, not subsidiaries or controlled by medium or large businesses. The law also specifies asset and annual sales criteria for micro, small, and medium enterprises.

MSMEs significantly contribute to economic progress and can increase the Gross Domestic Product (GDP). In 2017, MSMEs had a market share of around 99.99% in Indonesia, with 62.9 million units out of the total business actors. MSMEs can also absorb more than half of the workforce compared to large companies.

Depok is a strategic city for trade due to its proximity to the capital city of Indonesia, Jakarta. The government is trying to advance the Indonesian economy by cultivating MSME management.
The text presents the results and discussion of a research study that examines how MSMEs (Micro et al.) can obtain assistance to overcome their financial challenges. Bank Indonesia, as the central bank, is committed to supporting the development of MSMEs through policies that increase their access to finance and build their managerial capacity and capability. The bank has prepared an MSME Roadmap with four stages: potential MSMEs, successful/link-to-market and financial MSMEs, digital-going MSMEs, and export-going MSMEs.

The scope of MSME product development includes volatile food, local economic development, and Bank Indonesia Entrepreneurship. Development efforts focus on increasing access to finance, markets, knowledge, networks, innovation, and digitalization. Infrastructure and institutional support are critical in creating an optimal MSME ecosystem.

**Table 1. number of MSMEs in Depok City by Region. No District Number of UMKM (2010/2019)**

<table>
<thead>
<tr>
<th>No</th>
<th>District</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Beji</td>
<td>269</td>
</tr>
<tr>
<td>2</td>
<td>Bojongsari</td>
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</tr>
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<td>Cipayung</td>
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<td>7</td>
<td>Limo</td>
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<tr>
<td>8</td>
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<tr>
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<tr>
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<td>Sukmajaya</td>
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</tr>
<tr>
<td>11</td>
<td>Tapos</td>
<td>298</td>
</tr>
</tbody>
</table>

The Totally numbers of Depok MSMEs are 2746 (Napitupulu et al., 2023).

In West Java, especially in Depok City, MSMEs have a sizeable contribution to economic growth. Considering that the largest contributor to Depok City’s Gross Regional Product (PDRB) is MSMEs, as much as 65 percent, while 35 percent comes from various other businesses.

**Figure 1. Perception of MSMEs’ Actors**

Despite these efforts by Bank Indonesia, 85 of MSME actors have yet to respond well to the programs. Working with an advisor involves personal interaction between the business owner and the advisor, but only 45% of MSME actors know advisors. The limited knowledge of MSME actors makes them use consulting services, with 55% willing to involve consulting services to deal with external parties. With government facilities, 87% of MSMEs use consulting services to get attention from external parties (Risnawaty et al., 2023).
2. Materials And Methods

The text describes the materials and methods used in a research article that discusses the role of tertiary institutions in developing MSMEs (Micro et al.). The research aims to develop a concept that helps understand social phenomena in natural settings by emphasizing meaning, experience, and the views of participants.

The article is based on observations of phenomena around the author's environment and combines the library method and the interpretation of observational data. The library method is used to find reference sources for developing theory, with data collected from articles, journals, books, and official internet pages. Observing observational data involves analyzing qualitative data from interviews and quantitative data from counting objects and respondents.

The research process includes keeping track of academic literature and other related reading materials, conducting a literature review, analyzing documents, analyzing overall data, writing research reports, and conducting a focus group discussion to get feedback on the design of the research report.

The researchers used purposive sampling to select specific individuals as respondents for the study. Four MSMEs participated in this study. The following criteria were used to determine eligibility: 1) ownership or work in the management business, including farmers, owners, or processing employees; and 2) continued production of derivative products. Direct observation and interviews were used to collect data for the preliminary study. The collected data was then classified into Management of MSMEs and Market Penetration.

Management of MSMEs included internal organizational management issues such as organizational structure, human resource management, and leadership. Market Penetration focuses on essential issues identified in product promotion and marketing. Business Continuity was also considered, with challenges of long-term business continuity during an outbreak being identified.

Aspects of product promotion and marketing were identified as critical. Meanwhile, MSME management and business continuity were closely related to business development and public relations. This research is a case study of the production and management of MSMEs in Depok.

3. Results and Discussion

Social impacts

What is the effect of income and external aid literacy on decision-making for MSMEs in Depok City? The study aims to provide insights into how to best support the development of MSMEs and their contribution to the local economy and community. The development and support of MSMEs can have significant positive social impacts by promoting sustainable development, economic growth, job creation, public goods and services provision, poverty alleviation, and inequality reduction. The government's new business program in Depok City is a step in the right direction to support MSMEs and revive the economy. The program encourages government officials to support MSMEs by shopping for their products, provides training for MSME entrepreneurs to enhance their products' quality, and offers a Final Income Tax discount for business expansion. These efforts can positively impact the local economy and community by supporting the growth and development of MSMEs.

MSMEs (Micro et al.) play a crucial role in sustainable development, economic growth, job creation, public goods and services provision, poverty alleviation, and inequality reduction. They are a significant part of the private sector in developed and developing countries and play a key role in reducing poverty through job creation and economic growth. MSMEs are important drivers of employment, decent work, and entrepreneurship for women, youth, and vulnerable groups.

The government has launched a new business program in Depok City to support MSMEs and revive the economy. This program encourages government officials to support MSMEs by shopping for their products. It provides facilities such as training for MSME Entrepreneurs who should focus on enhancing their products' quality to ensure better customer satisfaction and gain a competitive edge in the market, a Final Income Tax discount for business expansion. These efforts can positively impact the local economy and community by supporting the growth and development of MSMEs.

Research on the effect of external assistance on MSMEs in Depok City aims to analyze the effect of income and external aid literacy on decision-making for MSMEs. This research can provide valuable insights into how to support best the development of MSMEs and their contribution to the local economy and community.
The development and support of MSMEs can have significant positive social impacts by promoting sustainable development, economic growth, job creation, public goods and services provision, poverty alleviation, and inequality reduction.

**Social challenges**

The social challenges are related to the development and support of MSMEs (Micro et al.) in Depok City. MSMEs play a crucial role in sustainable development, economic growth, job creation, public goods and services provision, poverty alleviation, and inequality reduction. However, they may need more access to finance, markets, knowledge, networks, innovation, and digitalization.

The government has launched a new business program to address these challenges through the Depok City Micro Enterprise Cooperative Service (DKUM) to support MSMEs and revive the economy. This program encourages government officials to support MSMEs by shopping for their products. It provides facilities such as training for MSME Entrepreneurs should focus on enhancing quality. Companies often improve their products to gain an advantage over their competitors in the market, a Final Income Tax discount for business expansion.

Research on the effect of external assistance on MSMEs in Depok City aims to analyze the effect of income and external aid literacy on decision-making for MSMEs. This research can provide valuable insights into how to support the development of MSMEs best and address the social challenges they face.

Addressing the social challenges MSMEs face requires a coordinated effort from various stakeholders, including the government, financial institutions, and support organizations. By providing access to finance, markets, knowledge, networks, innovation, and digitalization, as well as infrastructure and institutional support, these stakeholders can help MSMEs overcome their challenges and contribute to sustainable development, economic growth, job creation, public goods and services provision, poverty alleviation, and reduction of inequality.

**Impact on local, regional, national, and global value**

The local, regional, national, and global values of the context provided relate to the development and support of MSMEs (Micro et al.). MSMEs play a crucial role in sustainable development, economic growth, job creation, public goods and services provision, poverty alleviation, and inequality reduction at all levels.

At the local level, in Depok City, the government has launched a new business program to support MSMEs and revive the economy. This program encourages government officials to support MSMEs by shopping for their products. It provides facilities such as training for MSME Entrepreneurs should focus on enhancing the quality of their products to stand out in the market entrepreneurs. These efforts can positively impact the local economy and community by supporting the growth and development of MSMEs.

At the regional and national levels, MSMEs significantly contribute to economic progress and can increase the Gross Domestic Product (GDP). In 2017, MSMEs had a market share of around 99.99% in Indonesia, with 62.9 million units out of the total business actors. MSMEs can also absorb more than half of the workforce compared to large companies. The government is trying to advance the Indonesian economy by cultivating MSME management.

At the global level, MSMEs are crucial in reducing poverty through job creation and economic growth. They are important drivers of employment, decent work, and entrepreneurship for women, youth, and vulnerable groups. Research on the role of tertiary institutions in developing MSMEs can provide valuable insights into how to best support their development and contribution to sustainable development at all levels.

Overall, the development and support of MSMEs have significant local, regional, national, and global values by promoting sustainable development, economic growth, job creation, public goods and services provision, poverty alleviation, and inequality reduction.

**Benefit from these impacts**

Several groups benefit from the impacts of MSMEs (Micro et al.) as essential contributors to sustainable development, economic growth, job creation, public goods and services provision, poverty alleviation, and reduction of inequality.

Firstly, MSMEs benefit from the support and development programs the government and other organizations provide. In Depok City, for example, the government has launched a new business

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program through the Depok City Micro Enterprise Cooperative Service (DKUM) to support MSMEs and revive the economy. This program encourages government officials to support MSMEs by shopping for their products. It provides facilities such as training for MSME Entrepreneurs should focus on enhancing the quality of their products to make them more competitive and appealing to customers a

Final Income Tax discount for business expansion.

Secondly, the local community benefits from the growth and development of MSMEs; MSMEs help reduce poverty through job creation and economic growth. They are key drivers of employment, decent work, and entrepreneurship for women, youth, and vulnerable groups. MSMEs are also the majority of the world's food producers and play an essential role in ensuring effective participation in the economy and society.

Thirdly, the broader economy benefits from the contribution of MSMEs to economic progress and the increase in Gross Domestic Product (GDP). MSMEs are a significant part of the private sector in both developed and developing countries.

The development and support of MSMEs have significant positive impacts on various groups, including the local community and the broader economy.

**Highlight multi- or inter-disciplinary aspects**

Those in other research areas can learn from and build upon the social impacts of MSMEs (Micro et al.) by examining the approaches and methods used to support their development and contribution to sustainable development, economic growth, job creation, public goods and services provision, poverty alleviation, and reduction of inequality.

For example, the research study examining the effect of external assistance on MSMEs in Depok City can provide valuable insights into how to support the development of MSMEs best. The research uses a combination of the library method and interpretation of observational data to develop a concept that helps understand social phenomena in natural settings by emphasizing meaning, experience, and participants' views. This approach can be applied in other research areas to understand the social impacts of various phenomena.

In addition, the multi- or inter-disciplinary aspects of this research can also be highlighted. The development and support of MSMEs involve various stakeholders, including the government, financial institutions, and support organizations. These stakeholders work together to provide access to finance, markets, knowledge, networks, innovation, digitalization, infrastructure, and institutional support. This multi-disciplinary approach can be applied in other research areas to address complex social challenges.

Overall, those in other research areas can learn from and build upon the social impacts of MSMEs by examining the approaches and methods used to support their development and contribution to sustainable development. This research's multi- or inter-disciplinary aspects can also be highlighted to demonstrate the importance of collaboration between various stakeholders in addressing complex social challenges.

**How is this research used to develop future projects with societal impacts?**

This research can be used to develop future projects with social impacts by providing valuable insights into the challenges faced by MSMEs (Micro et al.) and the approaches and methods that can be used to support their development and contribution to sustainable development, economic growth, job creation, public goods and services provision, poverty alleviation, and reduction of inequality.

For example, the research study examining the effect of external assistance on MSMEs in Depok City can provide valuable insights into how to support the development of MSMEs best. The research uses a combination of the library method and interpretation of observational data to develop a concept that helps understand social phenomena in natural settings by emphasizing meaning, experience, and participants' views. This approach can be applied in future projects to understand the social impacts of various phenomena.

In addition, the results and discussion of the research study can provide valuable information on how MSMEs can obtain assistance to overcome their financial challenges. Bank Indonesia, as the central bank, is committed to supporting the development of MSMEs through policies that increase their access to finance and build their managerial capacity and capability. The bank has prepared an MSME Roadmap with four stages: potential MSMEs, successful/link-to-market and financial MSMEs, digital-going MSMEs, and export-going MSMEs. This roadmap can be used as a model for future projects to support the development of MSMEs.

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This study can be used to develop future projects with social impacts by providing valuable insights into the challenges faced by MSMEs and the approaches and methods that can be used to support their development and contribution to sustainable development.

How sustainable are short-term versus long-term impacts, and how replicable and transferable are these impacts?

The sustainability of the short-term and long-term impacts of the development and support of MSMEs (Micro et al.) depends on various factors, including the effectiveness of the programs and policies implemented, the level of support from various stakeholders, and the ability of MSMEs to adapt to changing market conditions.

In the short term, programs such as the one launched by the Depok City government through the Depok City Micro Enterprise Cooperative Service (DKUM) can have immediate positive impacts by supporting MSMEs and reviving the local economy. The program encourages government officials to support MSMEs by shopping for their products. It provides facilities such as training for MSME entrepreneurs to improve the quality of their products and a Final Income Tax discount for business expansion.

In the long term, the sustainability of these impacts depends on the continued support and development of MSMEs. Bank Indonesia, as the central bank, is committed to supporting the development of MSMEs through policies that increase their access to finance and build their managerial capacity and capability. The bank has prepared an MSME Roadmap with four stages: potential MSMEs, successful/link-to-market and financial MSMEs, digital-going MSMEs, and export-going MSMEs. The successful implementation of this roadmap can have long-term positive impacts on the development and contribution of MSMEs to sustainable development.

The replicability and transferability of these impacts depend on the ability to adapt the approaches and methods used to support MSMEs in Depok City to other contexts. The research study that examines the effect of external assistance on MSMEs in Depok City can provide valuable insights into how best to support the development of MSMEs in other locations. The approaches and methods used in this research can be adapted to other contexts to achieve similar positive social impacts.

The sustainability, replicability, and transferability of the short-term and long-term impacts of the development and support of MSMEs depend on various factors. By continuing to support and develop MSMEs, adapting successful approaches and methods to other contexts, and addressing challenges as they arise, it is possible to achieve sustainable positive social impacts at both the local and global levels.

Transition process

The study described in the context provided can help deliver a just transition process by providing valuable insights into the challenges faced by MSMEs (Micro et al.) and the approaches and methods that can be used to support their development and contribution to sustainable development, economic growth, job creation, public goods and services provision, poverty alleviation, and reduction of inequality.

The research study examining the effect of external assistance on MSMEs in Depok City can provide valuable insights into how to support the development of MSMEs best. The research uses a combination of the library method and interpretation of observational data to develop a concept that helps understand social phenomena in natural settings by emphasizing meaning, experience, and participants' views. This approach can be applied in future projects to understand the social impacts of various phenomena.

The results and discussion of the research study can provide valuable information on how MSMEs can obtain assistance to overcome their financial challenges. Bank Indonesia, as the central bank, is committed to supporting the development of MSMEs through policies that increase their access to finance and build their managerial capacity and capability. The bank has prepared an MSME Roadmap with four stages: potential MSMEs, successful/link-to-market and financial MSMEs, digital-going MSMEs, and export-going MSMEs. This roadmap can be used as a model for future projects to support the development of MSMEs.

This research can help deliver a just transition in providing valuable insights, our process can help to identify and address the challenges effectively. MSMEs face and the approaches and methods that can be used to support their development and contribution to sustainable development.

Societal impacts of policy pose barriers
Policy measures that support the development and growth of MSMEs (Micro et al.) should be implemented to maximize the social impacts of the research described in the context you provided. These may include policies that increase access to finance, markets, knowledge, networks, innovation, digitalization, infrastructure, and institutional support.

For example, the government of Depok City has launched a new business program through the Depok City Micro Enterprise Cooperative Service (DKUM) to support MSMEs and revive the economy. This program encourages government officials to support MSMEs by shopping for their products. It provides facilities such as training for MSME entrepreneurs to improve the quality of their products and a Final Income Tax discount for business expansion. Similar programs and policies can be implemented at the local, regional, and national levels to support the development of MSMEs.

On the other hand, policies that pose barriers to the development and growth of MSMEs should be identified and addressed. These may include policies that limit access to finance, markets, knowledge, networks, innovation, and digitalization. By addressing these barriers and implementing supportive policies, it is possible to maximize the social impacts of the research on MSMEs.

Overall, to maximize the social impacts of this research, policy measures that support the development and growth of MSMEs should be implemented. In contrast, barriers to their development should be identified and addressed.

4. Conclusion

MSMEs are crucial in driving economic growth, Job aims is to generate employment opportunities and combat poverty. Important goals for both developed and developing countries. In Depok City, the government has launched initiatives to support MSMEs through the DKUM program, such as,

1) Provides training tax incentives and encourages government officials to support MSMEs with purchasing their products. Research has been conducted to analyze the effect of external assistance on MSMEs in Depok City, focusing on the Impact of income and external aid literacy on decision-making.

2) Bank Indonesia has also committed to supporting MSMEs through policies that increase their access to finance and build their managerial capacity and capability. These efforts aim to cultivate MSME management and advance the Indonesian economy.

Ethics Statements

Confirming that a) informed consent was obtained from participants or that participant data has been fully anonymized, and b) the platform(s)’ The policies regarding the redistribution of data were followed. This research received no funding from public, commercial, or non-profit sectors.

Declaration of interests

The authors have stated that they do not have any competing interests or relationships that could potentially influence.

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