

**IMPLEMENTATION OF POVERTY REDUCTION BASED ON
ENTERPRISE EMPOWERMENT SMALL AND MEDIUM
ENTERPRISES (MSMEs) IN SUKABUMI CITY**

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ABSTRACT

The title of this research is "Implementation of Poverty Reduction Based on the Empowerment of Micro, Small and Medium Enterprises (MSMEs/UMKM) in Sukabumi City". This study aims to determine the implementation of poverty alleviation based on MSME empowerment in Sukabumi City. This research is motivated by the problem of not optimal implementation of the *UMKM* empowerment program carried out by the Office of Cooperatives, Small and Medium Enterprises, Trade and Industry of Sukabumi City against poverty in Sukabumi City. The theory used to measure and find out how successful the MSME empowerment program is is the policy implementation theory written by Van Meter and Van Horn (1975). The research method was carried out using descriptive qualitative methods. With data collection techniques include observation, interviews, and documentation. The results of this study indicate that the implementation of MSME empowerment in Sukabumi City is good, but there are still several aspects that need to be addressed.

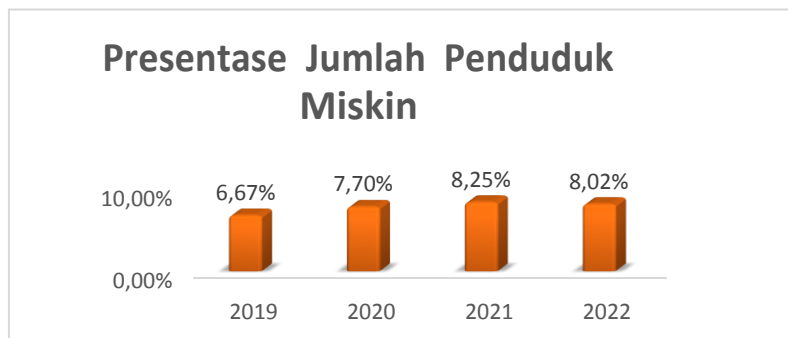
Keywords: *Implementation, Policy, UMKM*

A. INTRODUCTION

The phenomenon of poverty in developing countries is a very difficult problem to solve even though in some developing countries have succeeded in carrying out economic development with high production growth and national income. Indonesia is no exception. The problem of poverty is a complex and multidimensional problem related to social, cultural, economic and so forth aspects. Efforts to alleviate poverty in the *Peraturan Presiden Republik Indonesia No 15 Tahun 2010* are policies and programs of government and local governments that are carried out systematically, planned, and synergize with the

business world and the community to reduce the number of poor people in order to improve the degree of people's welfare. Poverty occurs because the ability of the economic actors is not the same, so there are people who cannot participate in the development process or enjoy the results of development. Likewise with the conditions in some areas in Indonesia, Sukabumi City is one of the regions that still have poverty problems trying to move efforts to overcome poverty problems.

The number of poor people in this year is increasing; this is due to the Pandemic Covid-19 which affects the resilience of the people's economy. The Central Statistics Agency (BPS) recorded the number of poor people in Sukabumi City as of November 2022 as many as 26,590 people or 8.02%. This figure has decreased compared to the same period in 2021 as many as 27,190 people. It's just that the decline is not too significant even less in one digit of only 0.23%. The following is the percentage of poor people in the city of Sukabumi from 2019-2022:



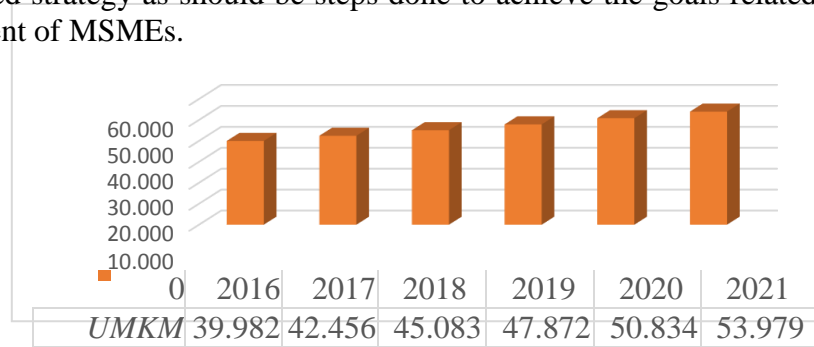
The percentage of the poor population of the city of Sukabumi
 Source: BPS (Central Statistics Agency) Sukabumi City, 2023

Based on the graph above it is known that the poor population in the city of Sukabumi has increased every year. Of course the government has a variety of poverty reduction programs, one of which is the poverty reduction program based on micro and small business empowerment, which aims to increase access to capital and other resources for micro and small businesses.

In accordance with the *Peraturan Walikota Nomor 116 Tahun 2019* concerning the Regional Action Plan for the Sukabumi City Poverty Reduction in 2019-2023 in the action plan for employment opportunities and business development through the *UMKM* program, Micro Small and Medium Enterprises (MSMEs) is a productive business owned by individuals and business entities which has met the criteria as a micro business. This MSME is very important for the growth of community economy as well as poverty reduction. In accordance with the *Undang-Undang Nomor 20 Tahun 2008*, MSMEs are part of the national economy that is independent and has great potential to improve the welfare of the community.

Office of Cooperatives, Micro, Trade and Industry (*Diskopdagrin*) Sukabumi City as implementing agencies that handle and carry out government affairs in the fields of cooperatives, micro, small, and medium enterprises (*UMKM*) require a

well-prepared strategy as should be steps done to achieve the goals related to the empowerment of MSMEs.



Number of MSMEs in Sukabumi City

Source: Open Data West Java, 2022

The number of MSMEs in the City of Sukabumi can be seen that the development of MSMEs has increased every year every year, in 2016 the number of MSMEs in the City of Sukabumi is 39,982 and 53,979 in 2021. One of the *Diskopdagrin* efforts in the empowerment of MSMEs in Sukabumi City is the holding of training for the perpetrators, namely entrepreneurship training, branding and packaging training, e-commerce training.

Table: Data on the number of MSME training activities in Sukabumi City

No.	Activity	Number of participants
1.	Entrepreneurship Training	30
2.	Branding and packaging training	30
3.	Business Incubator Training	30
4.	E-commerce Training	30
Amount		120

Based on the above table, every activity held is only 30 MSME actors in the City of Sukabumi, namely training held by *Diskopdagrin*. This training activity was only followed by 115 SMEs while the number of MSMEs in Sukabumi City was 53,979 or only 2.1% of the number of MSMEs in Sukabumi City. Then the lack of lack of human resources (HR) in *Diskopdagrin* which handles the MSME itself.

Based on the phenomenon of the problem described above, the researcher feels interested in conducting in-depth research on MSME Empowerment in the City of Sukabumi, therefore the researcher submits a thesis research proposal with the title "Implementation of PE-Based Poverty Reduction, Empowering MSMEs in the City of Sukabumi"

B. LITERATURE REVIEW PUBLIC POLICY

Public policy is an act committed or not carried out by the government in the form of general or special rules, both written and unwritten with a specific purpose to solve public problems or for the public interest.

Policy is the principle or way of acting chosen to direct decision making and policy is a determination that contains the principles of directing ways of acting that are made in a planned and consistent manner in achieving certain goals. (Suharto, 2014: 7)

Whereas if you look at the opinion of Tahir (2011: 47) public policy is identical to regulations or rules or can be interpreted as a legal product issued by the government that must be understood in full and correct.

Policy implementation

According to Tachjan in his book entitled Implementation of Public Policy (2006:25) says that policy implementation is a process of administrative activity that takes place after a policy is made/approved. So, it can be understood that the implementation of the policy will not start if the decision already exists.

Van Meter and Van Horn (1975: 447) in their journal entitled The Policy Implementation Process: A Conceptual Framework says that:

“Policy implementation encompasses those action by public and private individuals (or groups) that are directed at the achievement of objectives set forth in prior policy decision. This includes both onetime efforts to transform decisions into operational terms, as well as continuing efforts to achieve the large and small changes mandated by policy decisions”.

According to him, the implementation of policy is actions by public groups or private parties intended to achieve the objectives set in the previous policy decisions.

Based on the explanation above, it can be interpreted that policy implementation will not begin until a policy decision has been approved. In its implementation, a policy implementation includes individual actors or a public and private group. Thus, policy implementation is a process of activities carried out by different actors or groups to obtain the final result in accordance with the goals or objectives of the policy. The concept of implementation that is considered by the community to be related to an activity or action. However, its implementation is not limited to the act of implementing it. (Dzulqarnain, 2022)

Policy implementation model Van meter and van horn models

This model assumes that the implementation of linear policies of the available political decisions, implementers and public policy performance which all influence each other's performance of public policy. Here are 6 variables put forward by Van Meter (1975: 462):

1. Standards and policy objectives, outline the overall objectives of a decision.
2. Policy resources, regarding funds or incentives in programs that can encourage or facilitate effective implementation.
3. Communication between related organizations and enforcement activities, effective implementation requires that program standards and objectives are understood by the people responsible for their achievements.

4. Characteristics of Implementing Agencies, Implementing Agency Relations with other participants in the policy delivery system.
5. Social, Economic and Political Environment, External Environment Public Policy.
6. Implementing disposition, implementing response can influence their ability and willingness to implement policies.

Micro small and Medium Enterprises

MSMEs are independent productive business units, carried out by individuals or business entities in all economic sectors based on the value of initial assets in brackets (excluding land and buildings), average turnover per year, or the number of permanent workers. However, the definition of MSMEs based on these three measuring instruments is different according to the state. The definition of MSMEs is regulated in the *Undang-Undang Republik Indonesia No.20 Tahun 2008* article 1 concerning Micro, Small, and Middle Enterprises, the definition of MSMEs is as follows:

1. Micro businesses are productive businesses owned by individuals and / or individual business entities that meet the criteria of micro business as regulated in this law.
2. Small Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or not branches of the company that are owned, controlled or become a part of both directly or indirectly from medium businesses
3. Medium business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or branches of the company that are owned, controlled or become parts either directly or indirectly with small businesses or large businesses with a total net wealth or annual sales proceeds as stipulated in this law.

C. METHOD

In this research method researchers use a qualitative approach with descriptive methods. Qualitative research is methods to explore and understand the meaning that-by a number of individuals or groups of people is considered from social or humanitarian problems. This qualitative research process involves important efforts, such as asking questions and procedures, collecting specific data from participants, analyzing inductive data ranging from special themes to general themes and interpreting the meaning of data. (Creswell 2016; 4-5). The analysis unit that is the object of this research is the Office of Cooperatives, Micro, Trade and Industry of the City of Sukabumi. This is responsible for the MSME empowerment program. In informant data collection techniques, (Sugiyono 2018: 218-219), said purposive sampling is a sampling technique for data sources with certain considerations. This particular birth, for example the informant is considered to know the best of what we expect, or the informant mastered what we want to examine making it easier for researchers to explore the object under study. Data collection techniques in this study were carried out by observation, interviews, and documentation. Then in validating data researchers conduct triangulation.

In this study the researcher used the triangulation of sources and techniques to obtain the validity of the data obtained from the informant that had been interviewed. Data analysis carried out in this study is to collect data by entering the research environment and collecting research data, reducing data by selecting, focusing on simplification, abstracting and changing data that arises from written records in the field. Presentation of data to provide the possibility of drawing conclusions and taking action and making conclusions/verification of the data that has been analyzed.

D. EXPLANATION

The implementation of the policy is a process of administrative activity that takes place after a policy is made/approved. So, it can be understood that the implementation of the policy will not begin a decision. (Tachjan 2006: 25). Implementation is also one of the things that affects a policy. Dimensions of policy implementation used in this study are the dimensions in the theory of Donal S. van Meter and Carl E. van Horn, which consist of 6 dimensions, namely the size and purpose of the policy, resources, communication between organizations, characteristics of implementing agents, social environment, economics and politics and executing/disposition attitude.

Policy size and purpose

Policy according to Suharto (2014: 7) is the principle or way of acting chosen to direct decision making and policy is a determination that contains the principles to direct ways of acting that are made in a planned and consistent manner in achieving certain goals. In measuring a level of success an implementation can be measured through the objectives of existing policies. This MSME empowerment program refers to the *Undang-Undang Republik Indonesia No.20 Tahun 2008* concerning Micro, Small and Medium Enterprises has several points of rules related to the implementation of sustainable finances in Indonesia and the *Peraturan Walikota No.116 Tahun 2019* Regional Action Plan for Poverty Reduction in Sukabumi City in 2019-2023. The results of research related to the size and objectives of the policy in the MSME empowerment program in Sukabumi City can be concluded that the variable size and policy objectives have met the variable models of policy implementation proposed by the van meter and van horn. The purpose of this policy aims for MSMEs in the city of Sukabumi to be able to move up class from micro to small scale, and from small to medium scale. Then it is expected that the products produced by MSMEs in the City of Sukabumi can be known by both domestic and foreign. Furthermore, so that the community gets capital assistance and the community also makes permits for various types of businesses.

Resource

The source of funds in supporting the running of a policy is very important for the hope for success in a policy, if there is no funding, it is not possible that a policy will succeed but will experience a failure. Likewise, in terms of resources to support a success not only depending on one aspect, carrying out all factors that support each other both human power and funding resources. If there is a lack of resources in the implementation of eating policy implementation will not run

effectively. The available resources must be in accordance with the expertise and capabilities needed. In terms of funding resources to implement this MSME empowerment program, there are from the center, the purpose of funds from the center is the funds received from the state budget, in addition there are also sources of funds from the state budget such as the allocation funds of the money from the Tobacco Excise Revenue Fund, as well as financial assistance from the parties Private and *BUMN*, and *BPJS* labor with facilities that can support the success of the program. Regarding Human Resources to meet the needs of the MSME empowerment policy, *Diskopdagrin* still experiences a shortage of human resources to handle MSMEs in the City of Sukabumi, where human resources in managing the MSME empowerment program have not been fully fulfilled. Therefore, the implementation of the MSME empowerment program in the city of Sukabumi in the type of resources has not been fully good because in terms of the quantity of the number of employees at *Diskopdagrin* Masuh is lacking because when viewed from the number of MSME actors so much, so the number of employees in *Diskopdagrin* to foster the field thoroughly still inadequate. In line with the opinion of Kadji (2015: 55) policy demands the availability of resources, both in the form of funds or other incentives. Policy performance will be low if the funds needed are not adequate available.

Communication between organizations

Communication is one of the dimensions that can determine the success of policy implementation. The success of the implementation of a policy is very dependent on policy implementers who already know what they have to do. Through the distribution of good communication and coordination will result in good implementation. In the distribution of communication, it is often a misunderstanding (miss communication) that hamper the implementation of a policy. This is one of the causes of failure in the process of policy implementation. The better communication and coordination between the parties involved, it will be unlikely to occur in an error in an implementation process. In terms of communication between organizations in the implementation of MSME empowerment in Sukabumi City, communication is quite good. Regarding the communication of the existence of the policy, for example free licensing services are usually notified through WhatsApp Group or through MSME companions in the field whose status is non ASN. Likewise, communication with other agencies also runs well, such as with the Ministry of Religion to assist MSMEs in getting the *Halal* logo running quite well, related to capital with banking every year always communicating, and several other agencies to facilitate MSME actors in developing their products.

Characteristics of the Implementing Agent

Characteristics of implementing agents include formal organizations and informal organizations involved in the implementation of public policy. This is very important because the characteristics of the policy implementing agent will affect the performance of public policy implementation. Characteristics of implementing agents that can affect the process of policy implementation include how the organizational structure, there is an equitable division of authority and responsibilities and the existence of a clear procedure or standard operating

procedure (SOP) mechanism and the interests of the parties involved in policy implementation. In this study, that the characteristics of the executive agent in the implementation of MSME empowerment in the City of Sukabumi can be said to be good, according to van Meter and van Horn in the characteristics of the implementing agent there are several factors in the policy implementation model, namely including norms, bureaucratic structures and relationship patterns. The implementation of MSME empowerment in the City of Sukabumi is said to be good because in this program because it is seen from the process of cooperation and bureaucratic structure that runs in accordance with the SOP (Standard Operating Procedures) improve the process of implementing policy.

Social, economic and political environment

The policy implementation model offered by the van Meter & van Horn is that the extent of the external environment can affect the success of the predetermined public policy. The environment in question is an economic, social and political environment. An environment that is not conducive can have a bad effect and become the culprit of the failure of the performance of policy implementation. Thus the conduciveness of the external environment needs to be considered in the policy implementation efforts. In the Economic Sector the MSME Program increases the economy because it can open new jobs and political terms to changes in regulation so that the empowerment of business actors demands cooperation with several agencies to be able to build businesses in accordance with existing potential.

Implementing attitude/disposition

Policy implementers in implementing a policy must have an attitude in accordance with the rules that are imposed when implementing it, this is in order to minimize various problems that are likely to be an obstacle in achieving the objectives of a policy. Based on the results of research that has been carried out, in the implementation of the MSME empowerment policy in Sukabumi City that in its implementation it has met the policy variable because the implementers have been strict so that the implementation can run well.

Based on the theory that the researchers formulated, after conducting interviews it can be seen that the implementers of the Sukabumi City MSME Empowerment Program have responded well and accepted the program implemented. Then regarding cognition, namely the implementer's understanding of the policies implemented based on the results of the interviews that have been conducted, the implementer understands well what the goals and responsibilities of each task have been given. Meanwhile, regarding the intensity of the implementer's disposition, namely value preference, the reference in the implementation of this policy is the value of compliance with applicable law. So that the law is used as a guide in implementing policies.

As a comparison material that can be a differentiator from previous research, researchers have reviewed several studies that are relevant to this research. When compared with research conducted by Irpandea Putra Sutriyana, et al and regarding how poverty alleviation through MSME empowerment programs there are similarities in the dimensions of human resources, that the number of human resources available at the Office of Cooperatives, Small and Medium

Enterprises, Trade and Industry is still lacking to foster MSME actors as a whole. The difference in this research from previous research is in terms of communication that has been going well from previous research.

E. CONCLUSION

Based on the results of research on the implementation of poverty reduction based on MSME empowerment in the city of Sukabumi in the overall running optimal, but there are still a number of things that money has not been running optimally. Judging from the 6 dimensions that become a benchmark based on the theory put forward by the van Meter and van Horn there are conclusions as follows:

1. In terms of size and objectives of the MSME empowerment program that aims to make MSMEs have good quality, so that the products produced can be known domestically and abroad. In fact, so that the community makes licensing from various businesses and the community also gets capital assistance.
2. In terms of resources in the MSME empowerment program there are two, namely sources of funds and human resources, in terms of the source of funds it has been going well and the funds obtained come from the center also received assistance from the private sector. As for human resources in the implementation of the MSME empowerment program, it hasn't been fully good because in terms of quantity, the employees at *Diskopdagrin* still are lacking because when viewed from the number of MSME actors so much, so the number of employees in *Diskopdagrin* to foster to the field is still inadequate.
3. Communication between organizations in the MSME empowerment program has been running well with several agencies, while communication with MSME actors is still not optimal so that there are still MSME actors who have not yet participated in the training provided.
4. Characteristics of the Implementing Agent have done their work in accordance with the SOP (Standard Operating Procedures) seen from the cooperation process and bureaucracy structure that runs in accordance with the SOP (Standard Operating Procedures) improve the process of implementing the policy.
5. Social, Economic and Political Environment It can be concluded that in the economic sector it is more to increase the economy of society and income for the region and in terms of politics emphasize the products of a policy must be in line with efforts to empower for MSME actors.
6. The attitude and tendency of implementing in its implementation has been going well and the implementers are strict so that the implementation can run appropriately.

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