



The role of local government in supporting the development of the MSMEs sector in the society 5.0

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ABSTRACT

This research aims to analyze the role of Regional Government in supporting Micro, Small and Medium Enterprises (MSMEs) to advance to class in Medan City. The research method used is a qualitative descriptive research approach. This research focuses on the role of Regional Government in developing Micro, Small and Medium Enterprises (MSMEs) to advance to class in Medan City. Data collection techniques through observation, in-depth interviews and documentation review. Research data analysis used the Miles and Huberman model, and the data validity test was carried out based on trustworthiness criteria. The results of the research show that in developing MSMEs in Medan City, the Medan City Department of Cooperatives, Small and Medium Enterprises, Industry and Trade has carried out its role well. This is proven through support for the progress of Micro, Small and Medium Enterprises (MSMEs) by providing capital assistance; assistance in processing business permits and product certification; supporting digitalization-based business management; as well as supporting e-commerce based marketing activities. The results of this research can be used by the Government as a reference for optimizing the regional Micro, Small and Medium Enterprises sector to become a class based on Law of the Republic of Indonesia Number 20 of 2008.

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1. INTRODUCTION

The strategic existence of Micro, Small and Medium Enterprises (MSMEs) in national economic activities encourages the Government to continuously develop MSMEs in accordance with Government Regulation of the Republic of Indonesia Number 17 of 2013 concerning the implementation of Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small and Medium Enterprises (Peraturan Pemerintah Republik Indonesia Nomor 4 Tahun 2021 Tentang Kemudahan, Perlindungan, Dan Pemberdayaan Koperasi Dan Usaha Mikro, Kecil, Dan Menengah). The meaning of Micro, Small and Medium Enterprises (MSMEs) based on Law of the Republic of Indonesia Number 20 of 2008, namely small businesses managed and owned by a person or a small group of people

based on income and a certain amount of wealth. In Law of the Republic of Indonesia Number 20 of 2008, the development of the business climate must be carried out by the Central Government and Regional Governments through various policies, in the form of funding, facilities and infrastructure, business information, partnerships, business licensing, business opportunities, trade promotions and support. institutional.

Empowerment of the Micro, Small and Medium Enterprises (MSME) sector must be carried out in a sustainable and structured manner to increase productivity and competitiveness as well as grow strong entrepreneurs. (Prasetya, 2023) outlined information from the Coordinating Ministry for Economic Affairs of the Republic of Indonesia, that in 2022 the role of the Micro, Small and Medium Enterprises (MSME) sector will be very large in supporting the growth of the Indonesian economy, reaching 99% of all business units. Micro, Small and Medium Enterprises (MSMEs) have a very important contribution to increasing people's income and at a macro level support economic growth for a region or country (Toman Sony Tambunan, 2023b). The contribution of the Micro, Small and Medium Enterprises (MSME) sector reaches 58 to 61% of Gross Domestic Product (Tambunan, 2019). 96.9% contribution to total national labor absorption.

Table 1 shows that since 2021 the marketing methods of Micro, Small and Medium Enterprises (MSMEs) in Indonesia have entered the Society 5.0 era, namely using a digitalization-based approach (e-commerce). This means that digital technology has been used to support various operational activities for the economic and business sectors, one of which is e-commerce. Currently, e-commerce is the main approach that supports the digital economy in Indonesia. As much as 72.73% of total digital economic transactions in Indonesia come from e-commerce. In 2020, the value of e-commerce reached US\$32 billion, and is projected to reach US\$83 billion in 2025. (Menteri Koordinator Perekonomian Republik Indonesia, 2021).

The presence of digitalization in the Micro, Small and Medium Enterprises (MSME) sector will bring many opportunities for Micro, Small and Medium Enterprises (MSMEs) with the aim of the Micro, Small and Medium Enterprises (MSMEs) sector being able to dominate the domestic market. (Mawarsari, 2023) explains four important things about digitalization for Micro, Small and Medium Enterprises (MSMEs), namely: First, digitalization can help the Micro, Small and Medium Enterprises sector to increase efficiency and productivity. Second, digitalization can help the Micro, Small and Medium Enterprises sector in finding new markets and customers. Third, make the Micro, Small and Medium Enterprises sector able to compete better with large companies. Fourth, Helping the Micro, Small and Medium Enterprises sector to increase financial stability and sustainability.

(Toman Sony Tambunan, 2021a) writes that the concept of "Society 5.0" is a vision of a new future society supported by transformation led by scientific and technological innovation, hunter-gatherer society, agricultural society, industrial society and information society. (Sampe, 2022) explains that Society 5.0 is digital media as a business tool that facilitates consumers to access information anywhere and anytime. In this case, knowledge of digital technology plays an important role as a provider of information centers. The presence of digital technology supports the process of creation, development and various knowledge to achieve harmony with all that is achieved through methods that have been scientifically proven and innovative. (Salgues, 2018) defines "Society 5.0" as "Intelligent Society", where physical space and cyberspace are highly integrated. (Fukuyama, 2018) states that the goal of Society 5.0 is to create a society, where everyone can enjoy life to the fullest, the prosperity of a country, and solve social challenges throughout the world through the framework and technology developed.

Digitalization for Micro, Small and Medium Enterprises in North Sumatra Province still has problems, where the majority of actors in Micro, Small and Medium Enterprises in North Sumatra still do not understand digitalization. Meanwhile, North Sumatra Province has extraordinary economic potential if product sales for the Micro, Small and

Medium Enterprises sector are carried out online on various media platforms (e-commerce). (Menteri Koordinator Maritim dan Investasi Republik Indonesia, 2020).

Various implementation of regional government policies related to the Micro, Small and Medium Enterprises sector in North Sumatra, namely: First, Implementation of Work Plans for government agencies and achievements of Strategic Plans from various government agencies before 2022, they have implemented programs to increase the competitiveness of Cooperatives and Micro, Small and Business Enterprises. Medium is 96.17%, where in the details of the activities it is known that the target has not been fully achieved. Second, the Human Resources development program for Cooperatives and Micro, Small and Medium Enterprises was 94.87%, where in the details of the activities it is known that the target has not been fully achieved. Third, the Cooperative and Micro, Small and Medium Enterprises development program reached 80.77%, where in the details of the activities it is known that the target has not been fully achieved.

The data as referred to above, was followed up by the Governor of North Sumatra through Regulation of the Governor of North Sumatra Number 22 of 2022 which stipulates that one of the priority regional development programs for 2023 is the program to strengthen Entrepreneurship, Micro, Small and Medium Enterprises, with the aim of Micro, Small and Medium Enterprises being able to increase their growth. , as well as encouragement of fiscal instruments to support Micro, Small and Medium Enterprises to move up in class, which is marked by the rise of the Micro, Small and Medium Enterprises sector. Therefore, the North Sumatra Provincial Government must be able to implement 8 (eight) policies to support the improvement of the Micro, Small and Medium Enterprises sector to a higher class based on the mandate of Law of the Republic of Indonesia Number. 20 of 2008, and must also be implemented by 33 districts/cities in their regions, relating to: Funding, Facilities and Infrastructure, Business Information, Partnerships, Business Licensing, Business Opportunities, Trade Promotion, and Institutional Support.

Based on the description above, the researchers conducted research entitled "Analysis of the role of Regional Government in supporting the development of Micro, Small and Medium Enterprises in the Society 5.0 era". The formulation of the problem in this research is "how to implement the role of the Medan City Regional Government in supporting the development of Micro, Small and Medium Enterprises in the era of society 5.0 based on Law of the Republic of Indonesia Number. 20 of 2008?".

This research aims to determine the implementation of the role of the Medan City Regional Government in supporting the development of the Micro, Small and Medium Enterprises sector in the era of society 5.0 based on Law of the Republic of Indonesia Number 20 of 2008. The results of this research can be used by the regional government as a reference for optimizing sector development Micro, Small and Medium Enterprises in Medan City based on Law of the Republic of Indonesia Number 20 of 2008.

2. RESEARCH METHOD

This research uses a qualitative descriptive research approach. The type of research used in this research uses descriptive research with a qualitative approach, namely a type of research that is based on research data that is not in the form of numbers or numbers because the data collected and the analysis is more inductive or qualitative in nature and emphasizes meaning rather than generalizations (Sugiyono, 2014). The descriptive method is aimed at describing a series of processes (Toman Sony Tambunan, 2023a). A qualitative approach allows researchers to explore and dig up more detailed, in-depth and contextual information (Kevin Gustian Yulius & Jeremy Moody Koamesah, 2023).

Data collection techniques use an observation approach, in-depth interviews and documentation studies. The data analysis technique used is an analysis technique using an interactive model developed by Miles and Huberman, which consists of data collection, data reduction, data presentation, drawing conclusions or verification. (Miles & Huberman,

1994) explains that qualitative research data analysis is processed in 3 ways, namely data reduction, data display and conclusion & verification. The data analysis carried out in this research has two types of analysis, namely carrying out analysis when sharpening the validity of the data and carrying out analysis by interpreting the data as a whole.

To support data testing and inspection, a data reliability test (trustworthiness) approach is carried out. Checking the validity of the data is carried out based on criteria, namely trustworthiness, so that the results of qualitative research can be trusted and approved as correct. The examination and validity of data obtained during field research regarding the implementation of the role of Regional Government in supporting Micro, Small and Medium Enterprises to advance to class in the Society 5.0 era is more effectively carried out based on credibility criteria, so that all data obtained can be accounted for during field research.

The focus of this research is the role of Regional Government in supporting the development of Micro, Small and Medium Enterprises to the next level in the Society 5.0 era in Medan City. This information also shows the marketing methods used by Micro, Small and Medium Enterprises (MSMEs) in Indonesia, as explained in Table 1.

Table 1. Marketing methods for micro, small and medium enterprises in 2022

Marketing methods	Percentage (%)
digital (<i>e-commerce</i>)	16%
non digital (market)	60%
agency	8%
Other marketing	16%

Sources: (Prasetya, 2023)

3. RESULTS AND DISCUSSIONS

Results

Micro, Small and Medium Enterprises (MSMEs) aim to grow and develop their businesses in order to build a national economy based on just economic democracy. Regarding Micro, Small and Medium Enterprises, in accordance with Government Regulation of the Republic of Indonesia Number 17 of 2013 concerning the implementation of Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small and Medium Enterprises, where there are efforts made by the Government (Undang-Undang Republik Indonesia Nomor 20 Tahun 2008 Tentang Usaha Mikro, Kecil Dan Menengah).

Regional Government, the Business World and the community must work together in supporting climate growth and business development in the Micro, Small and Medium Enterprise sectors, so that they can grow and develop into a strong and independent business. In carrying out the empowerment of Micro, Small and Medium Enterprises, Law of the Republic of Indonesia Number 20 of 2008 is based on several principles, namely: First, the growth of independence, togetherness and entrepreneurship to work on one's own initiative. Second, the realization of public policies that are transparent, accountable and fair. Third, regional potential-based and market-oriented business development in accordance with business competency. Fourth, increasing business competitiveness and implementing integrated planning, implementation and control.

Based on the mandate in Law of the Republic of Indonesia Number 20 of 2008, it is stated that in supporting the growth of the business climate for the Micro, Small and Medium Enterprises sector, the Central Government and Regional Governments must support the growth of these businesses through various policies, namely funding, facilities and infrastructure, business information, partnerships, business licensing, business opportunities, trade promotions and institutional support. In carrying out the empowerment process for Micro, Small and Medium Enterprises, the central and regional governments provide regulations regarding financing or providing funds, as well as loans

with the aim of making it easier for Micro, Small and Medium Enterprises to develop and strengthen capital.

In an effort to describe various facts and analyze data so that they can present the information in this research, the researcher carried out the following stages:

1. Data collection. At this stage, researchers collected various data through observation activities and conducting interviews with Micro, Small and Medium Enterprises in Medan City. At this stage, researchers also conducted a documentation study with the Department of Cooperatives, Small and Medium Enterprises, Industry and Trade of Medan City to obtain various information related to digitalization-based policies carried out by the Medan City Government in supporting the progress of the Micro, Small and Medium Enterprises sector in this era. Society 5.0.
2. Data reduction. Reduction means summarizing data obtained from research subjects, events and situations at the research location. This stage also includes selecting and summarizing relevant documents. This data reduction continues throughout the process. The process of selecting data and focusing on information that leads to problem solving, meaning and discovery to answer research questions. Researchers record field data in the form of field notes, interpret or select data that is relevant to the focus of the problem being studied. This activity will take place from the beginning to the end of the research stage.
3. Presentation of data (data display). At this stage, researchers limit the presentation of data as a collection of structured information that provides the possibility of drawing conclusions and taking action. Data presentation aims to tell and display data transparently. Sequential and systematic data presentation techniques make the conclusions and verification carried out by the research team in the form of the government's role in supporting Micro, Small and Medium Enterprises in the City of Medan increasingly grow and develop.
4. Drawing conclusions (verification). Drawing conclusions is the part of the research that shows the integrity of the configuration. Conclusions or verification are drawn during the research. Every meaning that emerges from every data acquisition must always be tested for truth, robustness, suitability and suitability so that validity remains guaranteed. The initial conclusions put forward later are still temporary and may change if strong evidence is not found at the next stage of data collection. However, if the conclusions put forward at the initial stage are supported by valid and consistent evidence when the researcher returns to the field to collect data, then the conclusions put forward are credible conclusions. To obtain data that has been verified, it is very important to carry out a data reliability test (trustworthiness) so that the research results can be trusted and approved as correct.
5. Test data reliability (trustworthiness). In this research, three forms of data examination were used, namely: First, Participation Extension. This means that the research team is at the research location until data collection saturation is reached. In the initial stages the research team entered the research location, where of course the research team was still considered foreigners. So the information provided is not in-depth, incomplete and perhaps much of it will be kept secret. By extending the observation participation, the research team checked again whether the data provided by the research subjects was correct data. If the data obtained after the examination turns out to be incorrect, the research team will carry out more extensive and in-depth observations to obtain data that is certain to be true. If after re-examination it turns out that the data is correct and credible, then the extended observation period can be ended. Extending the research team's participation can also enable the research team to be open to multiple influences, namely various contextual factors and the influence of the symptoms or phenomena being studied. Second, increase the persistence of observations. This means that the research team's diligent observation is very necessary to find social symptoms or phenomena that occur in very relevant situations. So that the research team can focus

their attention in detail and in depth. Diligent observation by the research team will help provide depth of information through continuous detailed and careful observation of the factors that stand out in the problem being studied. This increase in observational diligence also supports when re-examining whether the data that has been found is wrong or not and researchers can provide a systematic and accurate description of the data. As initial preparation, the research team increased their perseverance by reading various reference books, research results or other documentation related to the findings being researched. Third, Triangulation. This means carrying out verification throughout the research until the data is analyzed in the form of a written report. At different times and using different tools, triangulation is carried out to re-examine the degree of trustworthiness of data information.

6. Triangulation. In this research, four triangulation approaches were used, namely: First, source triangulation. This means that testing the credibility of the data is done by checking data that has been obtained through several sources (Sidiq & Choiri, 2019). The data is described, categorized, which views are the same, which views are different, and which views are specific. This is done by comparing data obtained from one source with data obtained from other sources. The technique used was to compare data obtained from interviews conducted with the Medan City Department of Cooperatives, Small and Medium Enterprises, Industry and Trade with data obtained from Micro, Small and Medium Enterprises. Second, Triangulation method. This means that it is done by comparing information or data in different ways. Applying different data collection models such as observation and interviews, with different patterns. In this triangulation method, two strategies are applied, namely checking the degree of trustworthiness of research findings data through several data collection techniques; as well as examining the degree of trustworthiness of several data sources using the same method. Third, data triangulation. This means utilizing data from several data sources in research (Bans-Akutey & Tiimub, 2021). Through data triangulation, researchers compare several data obtained in the same way and from the same data source. This triangulation is carried out in two forms, namely: ensuring valid data in terms of time, by looking at the date the data was validated; and ensuring valid data from a rationality perspective, by looking at whether the data is rational or not based on the approach to the numbers listed in the document, as well as the rationality of interviews and observations. The rationality of document data is intended to strengthen interview results, or vice versa. After the documents are obtained, you can ask research subjects who know more about them in the form of interviews. Fourth, Triangulation theory. This means that the researcher confirms the data obtained with the theory that has been put forward previously. If it turns out that it does not match, then the data is traced again, because there is a possibility that an error occurred in the collection. Theoretical triangulation is applied in the form of searching for and studying the theories needed to support and interpret data obtained in the field. Through this technique, researchers connect the data found with the theories outlined in the relevant theoretical framework. Based on the four triangulation descriptions above, checking the truth and validity of data obtained in the field regarding the implementation of the Government's role in supporting Micro, Small and Medium Enterprises to move up a class in the Society 5.0 era will be more effectively carried out based on credibility criteria so that they can be accounted for. all data obtained in the field in the research.

Discussion

Based on the research stages as explained above, the researcher will conduct a discussion based on the results of data analysis. In supporting the development and progress of Micro, Small and Medium Enterprises so that they can advance to class in the Society 5.0 era, the Medan City Government through the Medan City Department of

Cooperatives, Small and Medium Enterprises, Industry and Trade has made various efforts, namely:

1. Make Regional Regulations as regulations regarding the protection and development of the Micro, Small and Medium Enterprises sector in Medan City. This Regional Regulation must be able to support the growth of a good business climate, through various policies, namely relating to funding, infrastructure, business information, partnerships, business licensing, business opportunities, trade promotions and institutional support. It is also hoped that this Regional Regulation will help the Medan City Government in establishing various policies, starting from increasing: capital, supporting facilities, business capacity, human resource competency, marketing, promotion, financial management (Toman Sony Tambunan, 2021b). So that it can support the Micro, Small and Medium Enterprises sector to become more advanced, developed and competitive. (Jahanshahi, 2011) stated that government policies can help the growth of the Micro, Small and Medium Enterprises sector.
2. Providing capital support for Micro, Small and Medium Enterprises in the form of facilitation between Revolving Fund Management Institutions and Micro, Small and Medium Enterprises. Revolving Fund Management Institutions will distribute funds in the form of loans or financing. The Medan City Government has helped a lot in facilitating Micro, Small and Medium Enterprises to obtain capital through People's Business Credit loans provided by the Revolving Fund Management Institution. One of the conditions used to obtain a People's Business Credit loan is a Business Identification Number as proof of legality for Micro, Small and Medium Enterprises. (Bakhtiar et al., 2022) stated that providing support in the form of intensive assistance is important in supporting resilience for the Micro, Small and Medium Enterprises sector. (Gamo & Gollagari, 2020) write that the low capital acquisition of Micro, Small and Medium Enterprises is caused by ineffective regional government support. (Edi Sofwan, 2021) stated that regional governments need to collaborate with banks to provide assistance and convenience in distributing credit to people's businesses, so that it is hoped that business actors can develop well. (Mursalin, 2022) wrote that the role of financial institutions' involvement has an influence in improving the performance of Micro, Small and Medium Enterprises. (Anthanasius Fomum & Opperman, 2023) stated that the role of financial inclusion really supports the success of micro businesses.
3. Providing assistance in the form of supporting facilities for Micro, Small and Medium Enterprises in the form of providing grants for production equipment. (Mursalin, 2022) stated that the role of government policy through aspects of facilities and infrastructure has an influential value in improving the performance of Micro, Small and Medium Enterprises. (Toman Sony Tambunan, 2021c) wrote that several approaches were taken by local governments in implementing empowerment to support the improvement of community economic businesses, including through: providing assistance with business support facilities, and carrying out training that can improve technical skills so as to encourage increased community capacity in supporting business activities.
4. Provide assistance in processing business permits and product certification. To fulfill the mandate in Article 37 of the Republic of Indonesia Government Regulation Number 7 of 2021, it is stated that Micro, Small and Medium Enterprises in carrying out their business activities must have a Business License. Licensing plays a very important role in supporting the development of the business industry for a region or country. Good industrial growth will support accelerated economic growth, increase income for a region or country, increase people's income and support the creation of jobs for the community (Toman Sony Tambunan, 2021d). Currently, the Medan City Micro, Small and Medium Enterprises sector already has 488 Business Identification Numbers. This Business Identification Number is very important and useful for players in the Medan

City Micro, Small and Medium Enterprises sector, including: First, Micro Business actors, Small and Medium Enterprises will be prioritized to become MSMEs assisted by the Medan City Government, which will receive convenience in terms of business licensing and product certification. Second, the Business Identification Number is a supporting requirement for Micro, Small and Medium Business actors to receive business protection and assistance from the Medan City Government. Third, Micro, Small and Medium Enterprises will receive assistance with business support facilities from the Government. Fourth, Micro, Small and Medium Enterprises will receive training to support increased competence in carrying out their operational activities. (Mursalin, 2022)) stated that the role of government policy through the licensing aspect has an influential value in improving the performance of Micro, Small and Medium Enterprises. (Yenny Febrianty, 2023), writes that the importance of a 'business permit' in the context of business for Micro, Small and Medium Enterprises is to protect, provide a sense of security and certainty in business.

5. Support micro, small and medium enterprises institutionally. This makes it easier for Micro, Small and Medium Business actors to coordinate with Micro, Small and Medium Business actors spread across various districts or cities in North Sumatra Province.
6. Supporting Medan City Micro, Small and Medium Enterprises to obtain product packaging services, by involving all Fostered Micro, Small and Medium Enterprises to join the "Rumah Kemasan (Packaging House)" built by the Medan City Government. Through this program, it will help Medan City Micro, Small and Medium Enterprises to improve product quality in terms of design and packaging form. So that various products produced by Micro, Small and Medium Enterprises can compete with other products.
7. Collect data on Micro, Small and Medium Enterprises actors through the Medan City Cooperative and Micro, Small and Medium Enterprises Data Collection System (Simdakop) application. Based on the data collection results, it can be seen that there are 38,343 Micro, Small and Medium Enterprises in Medan City. Of this number, there are 1,875 Micro, Small and Medium Enterprises that have registered as mentors with the Medan City Department of Cooperatives, Small and Medium Enterprises, Industry and Trade.
8. Establish programs and carry out digitalization-based training activities, and to improve technical skills (hard skills) for micro, small and medium enterprises assisted by the Department of Cooperatives, Small and Medium Enterprises, Industry and Trade in Medan City. Through these training activities, it is hoped that it can improve the competence and good skills of Micro, Small and Medium Enterprises in Medan City. So that it can have a positive influence on increasing the quantity, quality, productivity, creativity and innovation of Micro, Small and Medium Enterprises. (Toman Sony Tambunan, 2022) in his research stated that the better the level of public education which leads to changes in attitudes that are oriented towards caring. (Susi Desamaryani, 2017), stated that small and medium businesses must always increase creativity to be able to create innovative products. (Toman Sony Tambunan, 2023a) states that competence has a positive and significant effect on performance. (Toman Sony Tambunan & Jusmer Sihotang, 2023) wrote that there are various ways that can be done to improve performance, including through training activities and increasing competency.
9. In supporting digitalization in the Society 5.0 era, the Medan City Government through the Medan City Department of Cooperatives, Small and Medium Enterprises, Industry and Trade has made efforts to turn non-formal Micro, Small and Medium Enterprises into formal businesses. Micro, Small and Medium Business actors in Medan City are invited to utilize technology to support business improvement and progress, starting from business operational management activities, financial management, human

resource management, as well as marketing and business promotion activities. To help Micro, Small and Medium Enterprises to increase sales of their products and expand their marketing, the Medan City Government has built a Market Place application as a digital market for various products produced by Micro, Small and Medium Enterprises. (Edi Sofwan, 2021) states that the biggest obstacles faced by Micro, Small and Medium Enterprises are capital, marketing and competition. (Bakhtiar et al., 2022) wrote that using technology as a digital marketing medium is one way to survive in the face of changes in society that limit external operational activities. (Fridayani & Chiang, 2022) write that digital transformation support and full support from the government have a significant impact on business success, increasing income and resilience to crises.

10. Through the use of technology, the Medan City Government has built a single data information system to support the implementation of various policies stipulated by the Medan City Government to support Micro, Small and Medium Enterprises to become upgraded and competitive. (Akhmad et al., 2023) wrote that the strategy for developing Micro, Small and Medium Enterprises can be carried out with a program to create a healthy business climate for the Micro, Small and Medium Enterprises sector with the aim of facilitating the creation of a healthy, economical, efficient and non-discriminatory for the continuity and progress of Micro, Small and Medium Enterprises.
11. Regional governments must assist Micro, Small and Medium Enterprises to support the expansion of market access. So it can help increase product sales and ultimately increase income for Micro, Small and Medium Enterprises. (Nursini, 2020) stated that policy makers must support market certainty for Small and Medium Enterprise products to maintain the production cycle. (Zulpardisyah, 2022) wrote that Micro, Small and Medium Enterprises with strong business networks provide capital to carry out their business activities effectively and efficiently. In supporting the expansion of market access and increasing product sales, the Medan City Government through the Department of Cooperatives, Small and Medium Enterprises, Industry and Trade of the City of Medan has utilized digitalization-based technology by providing facilities for the Micro, Small and Medium Enterprises under its guidance to sell, market and introduce their products through the E-Katalog application. Through this e-catalog, it is hoped that every government agency within the Medan City Government, in order to meet their needs to support their activities, can shop through the e-catalog. In this e-catalog application, there is a display case that presents or offers various local products produced by Medan City Micro, Small and Medium Enterprises. The following table 2 presents the names of product showcases and the number of products from Medan City Micro, Small and Medium Enterprises that have been registered in the E-catalog application.

Table 2. Product showcase and number of products from Medan city micro, small and medium enterprises that have been registered on the e-catalog application

MSMEs Product showcase name	Number of product types	Number of providers
Medan city regional government agricultural tools and/or machinery	50	7
Office cleaning equipment, cleaning materials, Medan city regional government pest control and fumigation services	839	28
Medan city government office stationery	4890	98
Packaged asphalt & ready mix concrete, Medan city government	13	5
Medan city government basic materials	375	16
Materials, materials and equipment for lighting Medan city government office buildings	30	7
Medan city government media shopping	18	11

Medan city government horticultural seeds	3	1
Medan city government plantation plant seeds	2	1
Medan city precast concrete	1461	20
Medan city ready mix concrete	6	1
Medan city installed concrete	53	5
Medan city government prints and duplications	450	38
Medan city government livestock	1	1
Medan city government hotmix and cold asphalt	1	1
Medan city security services	14	8
Medan city cleaning services	136	47
Medan city food and drink	1620	283
Installed road markings for Medan city	63	17
Medan city government official clothing and traditional cloth	254	50
Office electronic equipment and supporting equipment Medan city government	809	64
Medan city government tools	265	32
Medan city MSMEs production shoes	79	9
Medan city vehicle service	841	11
Medan city government vehicle rental	2	2
Rent tent and equipment as well as Medan city government decoration services	31	3
Medan city government souvenirs	165	31
Medan city utilities and sidewalks	106	8

Source: Medan city regional government, 2023

12. The policy of the Medan City Government in supporting empowerment and increasing sales for the Micro, Small and Medium Enterprises sector in Medan City is to appeal to all State Civil Apparatus (ASN) within the Medan City Government to use various products produced by the actors Medan City Micro, Small and Medium Enterprises.
13. Another policy to support the progress of the Micro, Small and Medium Enterprises sector in the City of Medan, the Medan City Government is implementing an activity called "Beranda Kreatif Medan". This activity is routinely carried out every month, with the aim of promoting the results of various creative and marketing economic sectors in the city of Medan. (Salam & Ananta Prathama, 2022) write that the Government plays a role as an innovator to create and develop new things in Micro, Small and Medium Enterprises so that the Micro, Small and Medium Enterprise sector can further develop.

Based on the explanation as mentioned in the discussion, it can be seen that the Medan City Government has paid special attention to the Micro, Small and Medium Enterprises sector through the Medan City Cooperatives, Small and Medium Enterprises, Industry and Trade Department, as mandated in Article 7 of the Law. Law of the Republic of Indonesia Number 20 of 2008, emphasizes that the Government and Regional Governments foster a business climate by establishing laws and policies that cover aspects: funding, facilities and infrastructure, business information, partnerships, business licensing, business opportunities, trade promotions, and institutional support. The Medan City Government through the Department of Cooperatives, Small and Medium Enterprises, Industry and Trade of Medan City continues to develop and empower the Micro, Small and Medium Enterprises sector, with the aim of ensuring that Micro, Small and Medium Enterprises in Medan City can produce good quality products. (Sudibyo, 2017) stated that government processes and support have a positive influence on the performance of Small and Medium Enterprises. (Harini, 2018) wrote that the involvement of interested parties (stakeholders) such as government, educational institutions, financial institutions, cooperatives, business associations and non-governmental organizations in training, coaching, mentoring, funding and partnership activities has an important role in sector performance. Micro small and Medium Enterprises.

4. CONCLUSION

The government is obliged to support the growth, progress and competitiveness of the Micro, Small and Medium Enterprises sector through various policies, namely those relating to: funding, infrastructure, business information, partnerships, business licensing, business opportunities, trade promotions and institutional support. To support the Medan City Micro, Small and Medium Enterprises sector to move up a class in the Society 5.0 era, the Medan City Government has established policies through various activities carried out, namely: First, making Regional Regulations as regulations regarding the protection and development of the Micro Enterprise sector, Small and Medium in Medan City. Second, provide capital support. Third, provide assistance in the form of supporting facilities. Fourth, provide assistance in processing business permits and product certification. Fifth, institutional support. Sixth, support in obtaining product packaging services. Seventh, collect data on Micro, Small and Medium Enterprises actors through the Medan City Cooperative and Micro, Small and Medium Enterprises Data Collection System (Simdakop) application. Eighth, establish programs and implement digitalization-based training activities, and to improve technical skills (hard skills). Ninth, carry out activities to utilize technology to support business improvement and progress. Tenth, building a single data information system to support the implementation of various policies. Eleventh, supports expanding market access and increasing product sales. Twelfth, establish policies to support empowerment and increase sales. Thirteenth, carry out an activity called "Beranda Kreatif Medan". The practical implication in this research is the importance of implementing policies, as mandated in Article 7 of the Law of the Republic of Indonesia Number 20 of 2008, to be carried out by the Medan City Government in a sustainable manner for the progress and development of Micro, Small and Medium Enterprises in Medan City through various policy. In the future, the Medan City Government needs to further increase its role in supporting the development of Micro, Small and Medium Enterprises, including by improving the quality of human resources through training programs; providing alternative funding facilities; providing technical assistance to support business operational activities; and help to expand market segments. This research has several limitations, so further researchers can conduct research from other aspects in the form of the role of regional governments as innovators, where regional governments as a whole become a source in creating and developing new things in the Micro, Small and Medium Enterprises sector so that MSMEs can progress further. and developing in the era of digitalization.

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