

INTERVENTIONS OF THE COOPERATIVE, SME, INDUSTRY AND TRADE OFFICE OF MEDAN CITY IN SUPPORTING MSME EMPOWERMENT

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ABSTRACT

Received: 06-09-2024

Accepted: 10-03-2025

Keywords:

Intervention, MSME's, Public Policy

One of the efforts in poverty alleviation is to empower micro, small, and medium enterprises (MSMEs). This is stipulated in Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises. The socialization of policies in supporting the empowerment of MSMEs is still not optimal due to the lack of maximum services and special policies issued by the government, especially the Office of Cooperatives, SMEs, Industry and Trade of Medan City. This research aims to see and analyze by conducting diagnosis through interventions given to local governments, especially for the Office of Cooperatives, SMEs, Industry and Trade of Medan City in terms of supporting MSME empowerment. Diagnosis is a simple way to find out the problem which is then carried out the process of solving the problem by means of intervention. As for after the diagnosis, it is expected to provide a change in the way of working that is better than before. The research method used in this research is a qualitative method. This research presents the results of the intervention analysis which can later be considered by policy makers and policy actors so that every policy issued, especially for the empowerment of MSMEs, can be felt by the people of Medan City, especially micro, small and medium enterprises. Therefore, public policy is basically a matter of making decisions on future choices.

1. INTRODUCTION

The involvement of Small and Medium Enterprises (SMEs) in Indonesia is very influential on national economic growth. The government in this case is obliged to provide services to every business actor, namely the community, so that they are able to compete both domestically and abroad.. The intervention process, there are a series of activities that have been planned based on the results of organizational diagnosis, where what interventions are effective in improving the functioning of the organization. This aims to build and change the organizational system that was previously not good, in the end it can run well in accordance with the goals that have been set. In previous research by Pardede, P., Trimurni, F (2023), noted that the results of the performance of the Cooperative Office of Micro, Small and Medium Enterprises in Medan City can meet the effectiveness indicators because the coaching objectives to increase the capacity of MSMEs are achieved with several established programs.

Table 1. The Role of SMEs in National Exports in Various Countries

Countries	Percentage
Indonesia	14.5%
Malaysia	20%
Thailand	35%

Japan	55%
South Korea	60%
Cina	70%

Source: Ministry of Cooperatives and SMEs Indonesia, 2023

The empowerment of MSMEs in Indonesia is arguably stagnant and only used to compete in the local market, Subekti, T & Sembiring (2021). Government efforts in Indonesia have not been maximized in encouraging accelerated empowerment to every business actor. The mandate of Government Regulation of the Republic of Indonesia Number 17 of 2013 concerning the Implementation of Law (Undang-Undang) Number 20 of 2008 concerning Micro, Small and Medium Enterprises, namely "the government is obliged to protect businesses, companies, business entities, trade and the economy, especially at the UMKM level. Government policy in terms of the government should be more outcomes oriented and sensitive to economic growth and market expansion. In this study, the researcher wants to formulate government organizational development interventions carried out by the Office of Cooperatives, SMEs, Industry and Trade of Medan City. Some of the organizational intervention issues that many bureaucratic actors do not pay attention to are strategy issues, where organizations decide what products or services to provide and in which markets they will compete, as well

as how to relate to the environment and how to transform the organization to keep up with changing conditions.

Researchers want to try to maximize the performance of an organization by conducting a diagnosis and then providing interventions in accordance with a predetermined model, and to find out how the results of organizational interventions are carried out as a reference to determine, what is the right foundation for the organization.

2. METHODS

Researcher use a qualitative approach where the process in qualitative research has unique steps and comes from different research strategies. This research also seeks to construct meaning about a phenomenon based on the views of participants. Participants are needed here to investigate an issue related to a particular individual or group, and collected using a narrative approach, then analyzed as the main result of the research.

Table 2. Research Informants

Head of the Work Team of the Office of Cooperatives, SMEs, Industry and Trade, MSME Empowerment Division (Key Informant)	1
Functional Trade Division/Work Team Member (Key Informant)	1
Head of UPT of the Office of Cooperatives, SMEs, Industry and Trade (Key Informant)	1
MSME Entrepreneurs in Medan City	5

The researcher needs information from the Head of the Work Team of the Cooperative, SME, Industry and Trade Office of Medan City for the Empowerment of MSMEs, the functional of the Cooperative, SME, Industry and Trade Office for Trade, and the Head of UPT of the Cooperative, SME, Industry and Trade Office of Medan City so that the information obtained is credible and can be accounted for. In addition, researchers also need direct information from several MSME actors to test the information provided by the Office of Cooperatives, SMEs, Industry and Trade of Medan City whether it supports or even does not match the reality.

3. RESULTS AND DISCUSSION

3.1 Policies and Regulation

Public institutions are institutions that are funded from public funds/money, i.e. money collected collectively from the public, either in the form of taxes, levies, or other formally established levies, Nugroho (2023). The amendment of Law No. 20/2008 with several additional articles states that the Ministry of Cooperatives and SMEs is the overall coordinator of the program which oversees the Cooperative Agency. However, the Office of Cooperatives, SMEs, Industry and Trade of Medan City does not have access to an integrated cross-sector database system and program monitoring and evaluation system.

When services are less effectively and efficiently delivered to the public, then internal organizational diagnosis

can be a process to assist organizations in improving their capacity to assess and change dysfunctional aspects of their culture and behavioral patterns as a basis for developing greater effectiveness and ensuring continuous improvement, Beer (1993). The reality seen by researchers at this time is that the Medan City government does not have a clear vision and mission in empowering MSME's in Medan City, even though the facilities and infrastructure owned by the Meda City Cooperative and SME Office are adequate to provide MSME empowerment.

"...when it comes to data, we have data such as the number of MSMEs throughout North Sumatra Province, those registered in OSS (Online Single Submission), then some data on the list of products that have penetrated the international market. However, we still coordinate with the Cooperative Office of Medan City in distributing data, because some of these OPDs (regional apparatus organizations) have just joined where previously they were all independent, therefore we are also currently focusing on integrating data from several cities, so that it enters our system." (interview, May 3, 2024).

From the results of the interview above, the Cooperative and SME Office of Medan City, as a form of function and authority of the Cooperative Office of Medan City in providing empowerment of MSMEs, especially for Medan City businesses, needs to provide the widest possible access for MSME entrepreneurs to be able to know the policies and regulations made by the Medan City Government.

3.2 Missions and Strategies

The Office of Cooperatives, SMEs, Industry and Trade of Medan City has several strategic plans that have been established, one of which is service. Service is a right that should be obtained by service recipients/society. The rules governing public services have also been regulated in Law Number 25 Year 2009. The Office of Cooperatives, SMEs, Industry and Trade of Medan City has several strategic plans that have been established, one of which is service. Service is a right that should be obtained by service recipients/society. The rules governing public services have also been regulated in Law Number 25 of 2009.

The problems often faced by MSME actors in improving the quality of their businesses/products have not been a serious concern of the local government. This is due to the inability of business actors to meet market demand, both in terms of quality and quantity.

As one of the regional apparatus organizations, the Office of Cooperatives, SMEs, Industry and Trade should further strengthen coordination across sectors such as sub-districts and villages, to see and monitor the businesses involved.

"So at this time, we have also tried to improve and revive business actors since the COVID-19 pandemic, currently we have received hundreds of business actors who want their businesses to be assisted by the Medan City Government, especially in the IKM (small and medium industry) area in Medan City. So we continue to provide services such as

providing the equipment they need as well". (interview, May 4, 2024)

From the results of the interview with the Head of the UPT of the Cooperatives and SMEs Office, Fitriana Harahap, it can be stated that less than optimal public services result in not running the government administration process properly in accordance with its objectives. This is due to an unhealthy and overly bureaucratic situation. MSME entrepreneurs are always faced with a lack of access to information from the government so that the missions and strategies that have been prepared cannot run well.

3.3 Organizational Capacity

The organizational capacity referred to in this case is how the organization, namely the Office of Cooperatives, SMEs, Industry and Trade, has the capacity and authority to provide empowerment services to the community, especially for MSME players in Medan City. The task of empowerment is the role of making every citizen able to improve the quality of humanity and society. This task is a non-profit task. Non-profit organizations are organizations that have core competence in the field of empowerment, Nugroho, (2023).

Both central and local governments have not seriously conducted public campaigns to socialize public services, especially services at the Office of Cooperatives, SMEs, Industry and Trade of Medan City. This is because of the importance of massive socialization of central and regional ministries and agencies on a regular basis. An organization, requires leadership that encourages it to always be able to understand a good work climate, so that the foundation of the organization can run systematically, Wahab (2015).

"Sometimes like that, when we were before joining here (when the Cooperative and SME Office had not yet merged with the Trade Office) we were given a target by the Provincial Cooperative and SME Office, where the target was that we had to be able to sell our MSME products as much as 2% of Medan City. Imagine, how much can we get? 5%. What does it mean? If there are too many regulations in the deck now, so it is difficult for us to work, this is what the Mayor is like now? Many times the OPDs of Medan City are merged, so we lack synchronization. If the reason is to save the budget, we don't think so". (Interview, May 3, 2024).

Based on this statement, it is evident that budget savings by combining several OPDs into one service unit is not proven to boost the performance acceleration of government employees within Medan City. This is because, with the rules that are always changing, there are gaps and beginnings that must be started from zero (repeated from the beginning). The existence of several regulations made by the current Mayor of Medan (Mr. Muhammad Bobby Afif Nasution), disrupted the performance process of the organizational capacity that had been planned from the beginning.

Interventions in organizations refer to actions or strategies designed to improve the performance, efficiency, or well-being of the organization, its members, and anyone else who needs it. Well-designed and implemented organizational interventions can result in sustainable positive

change, creating a healthier, more productive, and innovative work environment. The Office of Cooperatives, SMEs, Industry and Trade has several notes so that this public organization has various benefits that can be better felt by the community, especially the people of Medan City. The researcher identified that the current condition of entrepreneurial behavior is not healthy and still needs capital support and motivation. Therefore, the Office of Cooperatives, SMEs, Industry and Trade is in charge and also doubles as entrepreneurial behavior and tries to produce new innovations for the organization simultaneously to affect the performance of the organization itself.

4. CONCLUSION

Policies and regulations of the Office of Cooperatives, SMEs, Industry and Trade of Medan City have not shown specific policies aimed at MSME players in Medan City in supporting the acceleration of MSME empowerment. Medan City Government. The main intervention aimed at this organization is to strengthen basic services clearly, therefore it is expected that the Office of Cooperatives, SMEs, Industry and Trade can detail and clarify what services are provided especially to business actors in Medan City.

The capacity of organizational resources based on the results of the researcher's analysis, there is a gap in vision and mission ranging from the center (ministry) to the regions (agencies / departments). The occurrence of bureaucratic austerity makes organizational capacity a little less capable of obtaining maximum performance results.

MSME empowerment in Medan City can run well if there is good coordination with fellow governments, and include the role as a material in evaluation.

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