

THE ROLE OF DIKOPUKMTK BUKITTINGGI IN EMPOWERING SMALL AND MEDIUM ENTERPRISES (SMES) IN BUKITTINGGI CITY IN THE POST-COVID-19 PANDEMIC ERA

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Abstract

This study examines the role of the Office of Cooperatives, Micro, Small, and Medium Enterprises (Diskopukmtk) in Bukittinggi City in developing UMKM post-COVID-19. The research aims to analyze the supporting and inhibiting factors in empowering UMKM through various roles played by Diskopukmtk, such as facilitating funding, coaching, mentoring, and product marketing. The method used in this research is descriptive qualitative with a case study approach involving interviews with UMKM actors and related parties in Bukittinggi City. The findings reveal that Diskopukmtk plays a crucial role in enhancing MSME capacity through programs like interest-free loans, training to improve skills and knowledge of UMKM actors, and mentoring focused on business development and job creation. However, significant challenges include limited funding, insufficient human resources, weak marketing networks, and the negative impact of free markets. Despite these challenges, with strong regulatory and policy support from local governments, UMKM are expected to continue growing and improving their competitiveness.

This research contributes to understanding the dynamics of UMKM empowerment in the post-pandemic era and highlights the importance of local government roles in supporting the sustainability of the UMKM sector.

Keywords: Empowerment, UMKM, Post-COVID-19 Pandemic

A. INTRODUCTION

According to Febranta, the impact of the COVID-19 pandemic on UMKM can be observed from both demand and supply perspectives. On the supply side, UMKM owners reduced the number of employees to cut costs and ensure workers' health. On the demand side, there was a decline in the demand for goods and services, leading to reduced business productivity. In Bukittinggi, a city rich in natural resources and business potential, UMKM were significantly affected. Various local potentials, such as crafts made from palm leaves, traditional culinary products, and tourist souvenirs, should ideally support the local economy, especially since Bukittinggi is known as a tourist city with numerous historical attractions.

Post-pandemic, UMKM actors in Bukittinggi experienced a decline in enthusiasm for innovating and marketing their products. Based on an interview with Mrs. Ratna, an UMKM owner in Bukittinggi, she explained that the pandemic reduced tourist visits, leading to decreased income. Daily traders who used to sell until late evening now only operate until the afternoon due to the lack of buyers. This condition makes it difficult for them to meet daily working capital needs.

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The Diskopukmtk (Cooperatives and UMKM Office) of Bukittinggi, as a government agency responsible for trade and cooperatives, as well as small and medium enterprises, plays a crucial role in supporting the development of local MSMEs. In accordance with Bukittinggi Mayor Regulation No. 34 of 2022, the head of the agency is tasked with managing regional government affairs related to this sector, especially in the challenging post-pandemic situation where MSMEs face significant impacts and require support for recovery.

According to the Minister of Cooperatives and UMKM Teten Masduki, there are five main strategies to protect and recover UMKM post-pandemic. These strategies include social assistance for poor and vulnerable UMKM, tax incentives for MSMEs with an annual turnover below IDR 4.8 billion, credit relaxation and restructuring, expansion of working capital financing, and the role of ministries, state-owned enterprises (SOEs), and local governments as supporters of UMKM products, particularly in the agriculture, fisheries, culinary, and home industry sectors (Masduki, 2020).

Table 1. Data on MSME Turnover in Bukittinggi City for 2013 and 2024

<i>Type of UMKM</i>	<i>Quantity</i>	<i>2013</i>	<i>2024</i>	<i>Percentage of Decrease</i>
Trade	2.136	632.412.885.000	278.260.788.000	56%
Industry	457	31.623.590.000	25.014.260.000	16,5 %
Services	749	157.704.475.000	131.683.237.000	20,9 %
Agriculture and Plantations	59	3.218.475.000	3.157.321.000	1,9%

Source: Data Processed by Researcher, 2024

According to Gede Diva, the government plays a vital role in the development of UMKM (Micro, Small, and Medium Enterprises) as a facilitator, regulator, and catalyst. As a facilitator, the government can assist in enhancing UMKM capabilities through training and appropriate financial support, ensuring it does not create dependency. As a regulator, the government formulates policies that facilitate UMKM growth and maintain a conducive business environment. As a catalyst, the government accelerates UMKM growth into fast-moving enterprises, including empowering creative communities to become more productive (Diva, 2009).

In Bukittinggi City, the role of Dikopukmtk as a facilitator is evident through the "Tabungan Utsman" Program, which supports UMKM development in line with the "Visi Bukittinggi Hebat" promoted by the local government. However, the roles as regulator and catalyst remain less optimal. UMKM in Bukittinggi still face fundamental challenges such as insufficient guidance, lack of access to information, production techniques, marketing, management, and technology essential for sustainable growth (Yuliana, 2020).

Various issues affecting UMKM income levels include low-quality human resources, weak access to technology, limited capital, and inadequate business facilities. Post the COVID-19 pandemic, the culture of online shopping has grown significantly, leading to intense competition between traditional and modern UMKM outlets. Traditional UMKM

have experienced significant income declines due to reduced direct visitors and their inability to leverage digital platforms for marketing. These limitations are exacerbated by a lack of training, mentoring, and unevenly distributed assistance, leaving some UMKM actors feeling unsupported in addressing these challenges.

B. LITERATURE REVIEW

According to Soekanto (2012), the concept of role refers to the dynamic aspect of position (status). A role is a task carried out by an individual based on the status they hold. Although each action demonstrates a role based on the status held, it still operates within different frameworks of order, which leads to different outcomes for each person's role.

According to Hasibuan (2011), development is the second operational function of personnel management. Employee development needs to be carried out in a planned and continuous manner so that the development process is effective. A program for employee development must first be established. Micro, small, and medium enterprises (UMKM) are productive business units that stand independently, operated by individuals or business entities across all sectors of the economy (Mudrajad K, 2010).

The study on the Role of Disperindag Bukittinggi in Empowering Micro, Small, and Medium Enterprises (UMKM) in Bukittinggi Post-COVID-19 Pandemic is influenced by two factors: supporting and inhibiting factors, based on the theory of Sukmawati (2016).

The supporting and inhibiting factors of the role of Disperindag Bukittinggi in empowering UMKM in Bukittinggi post-pandemic are as follows:

1. Inhibiting Factors: In analyzing the role of Disperindag Bukittinggi in empowering Micro, Small, and Medium Enterprises (UMKM) in Bukittinggi post-COVID-19 pandemic, the inhibiting factors are influenced by two aspects, including:
 - a. Internal: Internally, factors such as a lack of business capital and limited human resources (HR) in UMKM activities can be observed.
 - b. External: Externally, factors such as weak networks and market penetration capabilities, as well as the impact of a free market, affect UMKM activities.

C. RESEARCH METHODOLOGY

This study uses a qualitative approach with a descriptive method to systematically and accurately describe the current conditions or situations, particularly regarding the role of the Department of Cooperatives, Micro, Small, and Medium Enterprises (Dikopukmtk) of Bukittinggi City in the development of UMKM post-COVID-19 pandemic. The data collected consists of primary data obtained through interviews and direct observation, as well as secondary data sourced from related documents and literature. Research informants were selected using purposive sampling, considered to have the most knowledge of the research context, thus providing information that can maximally support the research results.

Data were analyzed through a process of collection, reduction, presentation, and conclusion drawing. Data collection was carried out through interviews, observations, and document studies, which were then analyzed with data reduction to focus on important aspects. Subsequently, the data were presented in the form of narrative text for easier understanding. Triangulation techniques were used to ensure the validity of the data by comparing results from various sources. The conclusions drawn are preliminary and will be re-confirmed through field data verification to achieve credible results that align with the actual conditions.

D. RESULT AND DISCUSSION

Peran Diskopukmtk Dalam Upaya Pengembangan Usaha Mikro Kecil Menengah Di Kota Bukittinggi Pada Masa pasca Covid-19.

In examining the findings of this research related to the issue, the researcher uses the theory by Diva (2009), which divides the role of the government into three aspects: facilitator, regulator, and catalyst, and relates it to the role of the Department of Cooperatives, Micro, Small, and Medium Enterprises (Diskopukmtk) of Bukittinggi City in the development of UMKM in Bukittinggi. This is elaborated on in the following points:

a. The Role of Diskopukmtk Bukittinggi as a Facilitator

The role of Diskopukmtk Bukittinggi as a facilitator in strengthening UMKM is in accordance with Law No. 20 of 2008, which includes providing various facilities to help UMKM achieve their business goals. The government provides training, assistance, and subsidies, as well as offering ease through policy exemptions or relaxations. This role aims to ensure that UMKM can grow and strengthen their businesses, supported by policies that facilitate access to the resources needed by business actors.

1) The Role of Diskopukmtk Bukittinggi through Trainings

Diskopukmtk Bukittinggi supports the development of UMKM through training programs that encourage innovation, such as improving packaging, product diversification, equipment development, and networking. These trainings aim to strengthen the competencies of UMKM's human resources, with some skills being tested through competency certification. Diskopukmtk also facilitates UMKM in obtaining raw materials through business meetings, although support in the form of grants is limited by regulations. The training is conducted based on the needs of UMKM, which are conveyed during development planning discussions, allowing business actors from similar fields to share information and experiences in efforts to develop UMKM.

2) The Role of Diskopukmtk Bukittinggi in Securing Capital Assistance for UMKM Actors.

Obstacles Faced by Diskopukmtk in Efforts to Develop Micro, Small, and Medium Enterprises (UMKM) in Bukittinggi Post-Covid-19.**Diskopukmtk Bukittinggi plays a role in securing capital assistance for UMKM actors by collaborating with banking institutions. Through training programs, Diskopukmtk teaches UMKM actors how to build resilient businesses and facilitates their access to capital loans from banks. Additionally, UMKM actors are provided with an understanding of regulations and procedures to obtain loan assistance, thereby supporting the development of their businesses.

3) The Role of Diskopukmtk in Marketing UMKM Products in Bukittinggi

The Department of Cooperatives, Small and Medium Enterprises, and Labor (Diskopukmtk) in Bukittinggi plays a crucial role in marketing UMKM products, particularly in providing market access for entrepreneurs. Diskopukmtk facilitates marketing channels through various events such as the Bukittinggi City Fair and other exhibitions. Additionally, they educate UMKM actors on effective marketing strategies, with the ultimate goal of fostering entrepreneurial independence. Once the entrepreneurs achieve independence, the role of Diskopukmtk diminishes, but this independence serves as a measure of successful UMKM empowerment, significantly improving family economies.

b. The Role of Diskopukmtk Bukittinggi as a Regulator

1) The Role of Diskopukmtk Bukittinggi in Decision-Making Processes.

The role of the Department of Cooperatives, Small and Medium Enterprises, and Workforce (Diskopukmtk) of Bukittinggi in decision-making processes related to UMKM empowerment is crucial. The management of UMKM is directly overseen by family heads, ensuring that all UMKM actors in Bukittinggi are well-documented. This facilitates effective management and monitoring of their business development.

2) The Role of Diskopukmtk Bukittinggi in Trademark Regulation for UMKM Actors.

The Diskopukmtk of Bukittinggi plays an essential role in regulating the provision of trademarks for UMKM actors, supporting the development of innovative businesses. Diskopukmtk undertakes several tasks, including nurturing and developing UMKM competitiveness, facilitating resource utilization, strengthening industrial networks, and providing easier access to banking. Additionally, it regulates the issuance of trademarks for innovative UMKM as a form of government support to enhance the competitiveness and sustainability of small and medium enterprises in both domestic and international markets.

c. The Role of Diskopukmtk Bukittinggi as a Catalyst

1) The Role of Diskopukmtk Bukittinggi in Providing Guidance.

The role of the Cooperative, UMKM, and Manpower Office (Diskopukmtk) of Bukittinggi in guiding UMKM actors is crucial for sustainable empowerment. This guidance includes training on selecting appropriate raw materials, financial management, and effective marketing strategies. Additionally, Diskopukmtk conducts data collection on UMKM to facilitate the management and monitoring of business development, enabling more targeted and tailored support for UMKM actors in Bukittinggi.

2) The Role of Diskopukmtk Bukittinggi in Providing Assistance.

The role of Diskopukmtk Bukittinggi in assisting business actors is vital to achieving economic independence. This assistance involves supervision and creating a space where entrepreneurs can inquire about various aspects of their businesses. Diskopukmtk actively serves as a mentor, helping business actors develop their ventures and opening up opportunities to create jobs in Bukittinggi.

Thus, based on the explanation above, it can be concluded that the role of Diskopukmtk in the efforts to develop Micro, Small, and Medium Enterprises (UMKM) in Bukittinggi during the post-Covid-19 period has been carried out quite optimally, despite various challenges impeding its progress. This conclusion aligns with the theoretical parameters of Diva (2009), which state that the government's effective role in UMKM development includes being a Facilitator, Regulator, and Catalyst.

1. Supporting Factors for Diskopukmtk in the Development of Micro, Small, and Medium Enterprises (MSMEs) in Bukittinggi During the Post-Covid-19 Period.

a. Internal Factors

1) Strong Regional Autonomy

Strong regional autonomy grants local governments the authority to regulate and create policies that support local communities, including small and medium-sized businesses. In this context, the decentralization policies implemented in Bukittinggi during the post-Covid-19 period play a vital role in supporting the development of micro, small, and medium enterprises (MSMEs). The autonomy support provided by the Bukittinggi City Government through Diskopukmtk serves as a key factor in strengthening the competitiveness and growth of MSMEs in the city.

b. External Factors

1) Non-Interest Loans

Non-interest loans, such as the Utsman Savings Non-Interest Loan from banks, have become an important solution for UMKM actors in Bukittinggi to obtain capital without requiring large guarantees. The availability of such loans, along with support from leasing companies and factoring services, helps micro-enterprises access funds to develop their businesses. This research shows that both internal and external supporting factors, such as government policies and non-interest financial services, play a significant role in the development of UMKM in Bukittinggi in the post-Covid-19 period.

2. **Obstacles Faced by Diskopukmtk in Efforts to Develop Micro, Small, and Medium Enterprises (UMKM) in Bukittinggi Post-Covid-19.**

a. Internal Factors

1) Lack of Business Capital

The lack of business capital is the main obstacle for UMKM in developing their businesses, as most micro, small, and medium enterprises are individual-owned and rely on limited capital from the owners. Access to capital from financial institutions, such as banks, is difficult to obtain due to the administrative and technical requirements that are hard for UMKM to meet. The research findings show that many UMKM actors complain about the difficulty in obtaining the expected capital assistance due to complicated requirements.

2) Limited Human Resources (SDM)

The limited human resources (SDM) within UMKM, especially those that are family-based and traditionally developed, pose a significant barrier to the growth of their businesses. The lack of formal education, knowledge, and skills affects the ability of UMKM to adapt to technological advancements and enhance their product competitiveness. Research findings indicate that this SDM limitation greatly impacts the ability of UMKM to develop their businesses and compete in the market.

b. External Factors

1) The Weakness of Networks and Market Penetration Ability

The weakness of business networks and the low ability to penetrate the market are major issues for most UMKM, many of which are family-run businesses with limited capacity. This results in products being produced in limited quantities and with less competitive quality compared to larger businesses that have established networks and technological support to reach international markets. The research findings indicate that the weakness of networks and market penetration among UMKM in Bukittinggi makes it difficult for their products to be recognized in markets outside the region.

2) Impact of Free Markets.

The impact of free markets and globalization has had a significant negative effect on MSMEs in Bukittinggi, especially with the influx of products from large investors offering relatively low prices. This weakens the position of UMKM, both in local and national markets, hindering their competitiveness. The research findings indicate that the free market is one of the main barriers for UMKM actors in Bukittinggi.

E. CONCLUSION

The conclusion of this study shows that the role of the Cooperatives, UKM, and Trade Office (Diskopukmtk) of Bukittinggi in developing Micro, Small, and Medium Enterprises

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(UMKM) post-Covid-19 has been quite optimal. This is evident from the roles performed according to Diva's theory (2009), namely as a facilitator, regulator, and catalyst in helping UMKM grow. These efforts aim to support the sustainability of UMKM in Bukittinggi so they can recover and adapt after the pandemic period.

Internal support for the role of Diskopukmtk includes the autonomy from the Bukittinggi City Government and low-interest loan rates through the Tabungan Utsman BPR Non-Interest program, which alleviates the financial burden for UMKM actors in accessing capital. These supporting factors provide opportunities for UMKM to expand their businesses with lighter financial burdens, especially for entrepreneurs who previously faced capital constraints.

However, there are several obstacles faced by Diskopukmtk in developing UMKM, including the difficulty of accessing capital due to administrative and technical requirements from banks. Additionally, limitations in human resources in terms of education, skills, and market networks also affect the competitiveness of UMKM. This problem is exacerbated by the difficulty of local UMKM products penetrating broader markets, where low-priced products from large investors weaken the position of UMKM in Bukittinggi both in local and national markets.

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