

Improving the Community's Economy Through Development Strategy at the Department of Trade, Manpower, Cooperatives and Small and Medium Enterprises

**Mercya Vaguita¹, Diga Putri Oktaviane², Hilda Oktri Yeni³,
Hendri Budi Utama⁴**

¹STISIP Imam Bonjol, ²Universitas Mohammad Natsir, ³Universitas Karimun,

⁴Universitas Negeri Padang

Corresponding Author E-mail: mercya vaguita@gmail.com

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Abstract: The goal of this research is to improve the community's economy through development strategy at the Department of Manpower Trade, Cooperatives, and Small and Medium Enterprises (UMKM) in Padang Pariaman Regency affected by the Covid-19 pandemic, and especially after the economic crisis. This study is a descriptive analysis that employs a qualitative method and relies on both primary and secondary data. In this study, informants were chosen using a purposive sample strategy that was based on certain features. The interviews, observations, and documentation studies using reliable and accurate sources are used to acquire data. The method and source triangulation are two techniques for assessing the veracity of data. While this data analysis approach employs data processing, data analysis, data reduction, and producing conclusions. According to the findings of this study, the strategy used to improve the community's economy can be seen through four indicators: (1) creation of a business climate for UMKM; (2) making integrated information; (3) establishment of a consulting and business development center; and (4) joint marketing system.

Keyword: Community's Economy, Development Strategy, Economic Crisis

1. Introduction

Development is a conscious and planned effort, carried out continuously by the government with all of its citizens or carried out by the community facilitated by the government, using selected technology, to meet all needs or solve problems that are currently or will be faced, in order to achieve the quality of life or welfare of all citizens of a nation who plan and implement development. Empowerment is an endeavor to give chances or enable a group's access to resources, such as finance, technology, information, marketing assurances, and so on, in order to improve their quality of life and well-being. The local community's goods are typical of the area, and they are also the perpetrators of UMKM in their area. MSMEs contribute significantly to Gross Domestic Product (GDP) in Indonesia, accounting for 60.34 percent of total GDP. Furthermore, UMKM are the major labor absorbers in Indonesia, employing 96.99 percent of the population. Furthermore, 99.99 percent of Indonesian enterprises are UMKM.

Micro, Small, and Medium Enterprises (UMKM) are an essential aspect of every country's or region's economy, including Indonesia's. As a result, UMKM must be empowered as an important component of the people's economy with strategic capacity to improve the national economy's structure. West Sumatra is a province with a large number of UMKM, with around 548,478 UMKM in 2015, including 42,340 UMKM in Padang Pariaman Regency. In order to realize the development of UMKM in Padang Pariaman Regency, which is in accordance with Padang Pariaman Regent Regulation Number 47 of 2017 concerning Regional Technical Implementation Units at the Trade Office, Cooperative Manpower, and Small and Medium Enterprises, and Padang Pariaman District Regulation Number 20 of 2018 concerning the Delegation of Authority for the Implementation of Micro and Small Business Permits to the Subdistrict Head in Padang Pariaman Regency.

In terms of UMKM development, the Padang Pariaman Regency Department of Manpower Commerce, Cooperatives, and UMKM performs its official responsibilities, which include cultivating and carrying out tasks in the domains of cooperatives, industry, and trade. To carry out this job, it has implemented numerous methods in developing UMKM in Padang Pariaman as the implementing element of the local government that administers the UMKM sector in Padang Pariaman Regency.

According to the result of interview with Padang Pariaman Regent, Suhatri Bur, the government continues to try to actualize the empowerment of UMKM via

different programs and activities by offering the broadest chance to collaborate with business players. Nagari Online" in partnership with marketplaces like as Tokopedia and Shopee, UMKM product auction markets, UMKM product marketing, as well as the Dekranasda of Padang Pariaman Regency, and UMKM involvement in Trade expo activities.

According to the findings of his research, Andika et al, (2020) found that the most common impact on traditional markets during COVID-19 was a decrease in consumer purchasing power, which caused dealers to close their doors. Permana (2017) discovered similarities, as did Kuswanto and Alfi (2020); Djatmiko and Pudyastiwi (2020); Sarmigi, (2020); Nurannisa, (2021); Komara, et al (2020); Kurniawansyah, (2020); Ulya, (2020); Nasution, (2020); Marlinah, (2020); Hardilawati, (2020); Safi'i et al, (2020; Kumala and Junaidi (2020). During the pandemic and with a restricted budget, it is possible to deduce that there is a loss in income, a fall in output, and an increase in the price of raw materials.

In order to improve the community's economy, the Department of Trade, Manpower, Cooperatives, and UMKM of Padang Pariaman Regency has to design a development strategy. Because the earlier Covid-19 outbreak slowed the community's economy, the problems ahead are more severe. Because of space constraints, especially on the marketing side of the product, sales turnover reduces and the budget for coaching is significantly decreased. Approximately 38 thousand artisans are members of UMKM in Padang Pariaman. As a result, it is vital to give direction and supervision in order to identify the best approach for UMKM to advance and compete with other regional UMKM.

As a result, the authors are interested in conducting a scientific search in a study to obtain a description of how the development strategy of the Padang Pariaman Regency Manpower Trade Office for Cooperatives and UMKM works, with the research title Improving the Community's Economy Through Development Strategy at the Department of Trade, Manpower, Cooperatives and UMKM Padang Pariaman Regency.

2. Methods

This study is a descriptive analysis utilizing a qualitative technique to assess the cooperative and UMKM labor trade department's development strategy in boosting the economy in Padang Pariaman Regency. Purposive sampling was employed to select informants. The informants for this study were the Head and apparatus of the Padang Pariaman Regency's Department of Trade, Manpower,

Cooperatives, and UMKM. We used interviews and documentation, and employing techniques and data source triangulation to collect the data. The following procedures were employed in this study for technical data analysis: data gathering, data reduction, data presentation, and drawing conclusions.

3. Results and Discussion

In Improving the Community Economy at the Department of Trade, Cooperatives, and UKM of Padang Pariaman Regency, there are several indicators: Creating a business climate for UMKM, making integrated information, then establishing a consulting and business development center, and joint marketing system. Micro, Small, and Medium Enterprises (UMKM) play an essential part in the Indonesian economy. As a result, the growth of the UMKM sector is critical in order to enhance the economy (Rohedi, 2016).

Creating a Business Environment for UMKM

The government must constantly foster the formation of a favorable environment for the continued existence of UMKM. Business climate is a condition pursued by the government and local governments to empower Micro, Small, and Medium Enterprises in a synergistic manner through the enactment of various laws, regulations, and policies in various aspects of economic life in order for Micro, Small, and Medium Enterprises to obtain partiality, certainty, opportunity, protection, and business support.

According to the findings of the author's March 26, 2022 conversation with Ms. Dien Rillawati, SE Head of the UMKM Division of the Department of Trade, Cooperatives Padang Pariaman Regency, “the non-conducive business climate of UMKM that impacts UMKM productivity may be seen in different elements of UMKM business operations, such as the difficulty in acquiring permits, the difficulty in creating finance, the difficulty in developing technology, and the difficulty in marketing”.

As a result, the purpose of developing a UMKM business climate is to establish a business environment that is economically efficient, competitive, and non-discriminatory for the survival and improvement of small and medium-sized firms. This takes the shape of numerous parts of the UMKM, which are as follows: (1) money; (2) buildings and infrastructure; (3) business information; (4) partnership; (5) business licensing; (6) business opportunities; (7) trade promotion; and (8) institutional assistance. Ms. Jusniati further said as a

Community of UMKM in Padang Pariaman Regency on April 12, 2022, that “shortage of entrepreneurial spirit, I believe there is still a lack of marketing in the area, thus we require marketing training. Hopefully, commercial activity would be curtailed during the epidemic so that our trade results do not suffer”.

The strategy implemented by the Department of Trade for Cooperatives and UMKM of Padang Pariaman Regency in maintaining a good business climate for UMKM in Padang Pariaman Regency, namely by implementing a business development program in the form of coaching and empowering human resources UMKM activities in 2020, carried out through education and training provided by Department of Trade, Manpower, Cooperatives and Small and Medium Enterprises Padang Pariaman Regency, has not been maximized due to the limited number of employees.

Creation of Integrated Information

One of the challenges in marketing its products is a lack of access to specialized market knowledge, which results in a lack of market orientation and inadequate worldwide competitiveness. On April 18, 2022, the author observed Ms. Suriyati, S.Sos, SE as the Division of Partnership and UMKM Network Development Section, the Department of Trade, Cooperatives, and UMKM, Padang Pariaman Regency, and stated “meanwhile, local governments give information to micro actors as permit applicants, both relating to the standards that applicants must meet, processes for applying for business permits, time restrictions for licensing services, and phases of the licensing service process, through our website. A speedy licensing service reform has been carried out in order to facilitate licensing services for UMKM”.

As a result, it is critical to employ information technology, which also provides a chance to expand UMKM's presence in the economy. UMKM need easy and rapid access to information, both about the production market and the market for production elements, in order to develop the marketing network for items manufactured by UMKM.

Creating a Consulting and Business Development Center

On April 18, 2022, the author observed Ms. Suriyati, S.Sos, SE as the Division of Partnership and UMKM Network Development Section, the Department of Trade, Cooperatives, and UMKM, Padang Pariaman Regency, and stated “regional governments carry out production development and product

management in the following manner: initially, they improve production and processing processes. Second, making procurement of facilities and infrastructure, production and processing, raw materials easier, and third, supporting the use of standardization in production and processing processes”.

The Padang Pariaman Regency government's approach for growing UMKM's business is to coach and oversee Department of Trade, Manpower, Cooperatives and Small and Medium Enterprises Padang Pariaman Regency. One of them is a community group forum designed to encourage finance or capital support in company growth. The Padang Pariaman government provides advice in the form of extension activities, training, and technology development, as well as company development guidelines and mentorship.

System of Joint Marketing

According to the findings of the author's March 26, 2022 conversation with Ms. Dien Rillawati, SE Head of the UKM Division of the Department of Trade, Cooperatives, and UKM, Padang Pariaman Regency, “most UMKM managers use the internet for marketing; this is a new thing and has never been done before, therefore it is important to acquaint them with using the internet network to assist enhance their business performance”.

As a result, social media allows multiple parties to communicate more intimately, such as producers and consumers. The Padang Pariaman Regency government's objective is to strengthen UMKM via various programs and activities by offering as many opportunities to work with business players as possible. And also, via applications in partnership with the UMKM product auction market, promotion of UMKM goods, and the National Craft Council of Padang Pariaman Regency, reinvent the marketing of UMKM products. This is to improve institutions and marketing networks in order to promote the marketing of cooperative and UMKM products.

Some of the most essential aspects of the government's efforts to promote UMKM are as follows: assistance with capital. One of the key programs and actions that need to be implemented to improve capital for UMKM is the government's endeavor through the program of giving people's business credit for working capital for business actors. Training and assistance for UMKM business actors are required to improve their knowledge and skills through technical training/guidance activities covering a variety of important topics, including entrepreneurship, management, administration, and finance, as well as technical

production and quality control skills. Market intelligence and a marketing network Government assistance is required in the creation of market information centers at UMKM sites. Until now, corporate players have not had equal access to and knowledge of market information, such as product pricing information and market demand. Product promotion and socializing To facilitate the marketing of Small and Medium Enterprises products, the government must accommodate this by promoting UMKM products through the involvement of other business actors as business partners. Institutional strengthening, as well as harmonic cooperation and coordination among various parties and the business world, are required (UMKM Actors).

4. Conclusions

The conclusion of this study that the strategy used to improve the community's economy can be seen through four indicators: (1) creation of a business climate for UMKM; (2) making integrated information; (3) establishment of a consulting and business development center; and (4) joint marketing system.

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