

Policy Change for Empowering MSMEs in The Covid-19 Pandemic Situation (Case Study of Increasing Competitiveness of Business Actors in Cianjur Regency)

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ABSTRACT

The COVID-19 pandemic has presented various problems and also has an impact on business actors, especially those engaged in the Micro, Small and Medium Enterprises (MSME) sector. They complained about the decline in sales, purchases, and even venture capital. The decline in MSME productivity, in a decrease in the Gross Domestic Product (GDP) in the regions, as well as the Human Development Index (IPM). Therefore, this study seeks to examine changes in MSME empowerment policies during the COVID-19 pandemic, in order to increase the competitiveness of business actors in Cianjur Regency. This study uses a qualitative approach with data collection through in-depth interviews, observation, and documentation studies. The data analysis technique was carried out through three stages, namely open coding, axial coding and selective coding. Research informants came from a) Department of Cooperatives, MSMEs, Trade and Industry of Cianjur Regency; b) Center for Integrated Services of SMEsCo in Cianjur Regency; c) Directorate of Domestic Trade, Ministry of Trade of the Republic of Indonesia; and d) SMEs in Cianjur Regency. The results of the study indicate that there are three aspects of MSME empowerment policies carried out by the Cianjur Regency Government, namely; a) Marketing, with a focus on online marketing through the creation of e-catalog and e-commerce applications in Cianjur Regency, as well as offline marketing through the application of Cianjur local government regulations and product diversification programs; b) Capital, which focuses on facilitating access to payments, and a revolving fund program with 0% interest.

Introduction

Micro, Small, and Medium Enterprises (MSMEs) are individual-owned businesses or individual business entities that are productive and meet the criteria stipulated by law. The minimum asset for MSMEs is IDR 50,000,000.00, while the minimum turnover is IDR. 300,000,000.00. In the Indonesian economy, MSMEs are the business group with the largest number. In addition, this group has proven to be resistant to various kinds of shocks from the economic crisis. So it has become imperative to strengthen many MSME groups. The criteria for businesses that are included in MSMEs have been legally regulated by law. Meanwhile, SMEs (small and

medium enterprises) are businesses run by individuals or business entities that are not part of micro or large enterprises. SME assets range from Rp. 50,000,000.00 to Rp. 500,000,000.00 with a turnover of Rp. 300,000,000.00–Rp. 2,500,000,000.00 (Republik Indonesia, 2008).

The existence of MSMEs has the largest contribution to the Indonesian economy, including First, the number of business units MSMEs as of 2018 was 64.1 million (99.9%) out of a total of 64.2 million business units. Second, MSMEs contributed to the workforce by absorbing 116.9 million (97%) of the total 120.6 million Indonesian workers in 2018. Third, MSMEs contributed to Indonesia's GDP of 8,573,895 billion (61.07%). of the total business world GDP contribution of 14,038,598 billion in 2018. Fourth, to non-oil exports, the contribution of MSMEs was 293,840 billion (14.37%) of the total number of Indonesia's non-oil and gas exports in 2018 which was 2,044,490 billion. Fifth, MSMEs also contributed to investment, which amounted to 2,564,549 billion (60.42%) of the total investment in Indonesia as of 2018 which was 4,244,685 billion. (Thaha, 2020).

Unfortunately, MSMEs have become the business sector that has experienced the most economic shocks due to the COVID-19 pandemic. Lockdown policies have brought economic activity to a sudden halt, lowering demand levels and disrupting supply chains around the world. An initial survey from the Ministry of Cooperatives and MSMEs stated that more than 50% of MSMEs are indicated to be out of business in the next few months (Ayuni, et al., 2020). The impact of the COVID-19 pandemic on the MSME sector has greatly affected the condition of the Indonesian economy. The decline in community activities, whether due to the regulation of Large-Scale Social Restrictions (PSBB) or voluntarily staying at home, had a broad impact on the business sector: 8 out of 10 companies tended to experience a decrease in income due to a decrease in purchases; 6 out of 10 companies face obstacles due to business partners who are also affected; and more than 60% of Micro, Small and Medium Enterprises and 53% of Large Medium Enterprises experience financial constraints related to employees and operations (Ayuni, et al., 2020).

In this regard, several challenges emerged that were faced by MSMEs during the COVID-19 pandemic, namely: (Purwanto & Paramita, 2020): low quality of human resources (HR); the role of the support system is less than optimal; and less effective policies and regulations. In terms of the quality of human resources, this is usually caused by low education, skills, and experience, as well as access to information. Most MSMEs also do not have the adequate entrepreneurial capacity, as can be seen from the MSME business pattern which is focused on production, not on market demand. Not only that, most of the Indonesian MSMEs still depend on offline marketing compared to online, so many business actors find it difficult to learn sales with the online system.

West Java Province, as a supporting province for the capital city, experienced a fairly high HDI increase in 2018 with 1.02%. This has an impact on the increase in the HDI of West Java in 2019 reaching 72.03, this value is above Indonesia's HDI of 71.92. Not only that, in 2019 West Java Province was in high status by ranking 10th nationally

under DKI Jakarta, Yogyakarta, East Kalimantan, Riau Islands, Bali, Riau, North Sulawesi, Banten, and West Sumatra Provinces. (Riyadi, 2020).

According to the Central Statistics Agency (BPS) report, Cianjur Regency is the area with the lowest human development index (HDI) in West Java. This can be seen from the average HDI of West Java Province which reached 72.09, while Cianjur Regency was in the lowest position with a value of 65.36. This value also decreased when compared to 2019 which was 65.38 (Badan Pusat Statistik Kabupaten Cianjur, 2021). In this regard, to achieve the third objective of the Regional Government of Ciajur Regency, namely by improving the HDI, what needs to be focused is on aspects of education, health, and people's purchasing power. The Cianjur Regency Government is trying to increase the HDI by empowering business actors. The empowerment program for cooperatives, SMEs, trade, and industry listed in the work plan for changes to the Department of Cooperatives, SMEs, Trade, and Industry in Cianjur Regency has four targets, namely: First, increase the capacity of cooperative and MSMEs by looking at the percentage growth of SMEs and cooperatives. Second, increasing the availability of trade facilities and infrastructure, increasing consumer protection, and securing trade. Third, improve the quality of business actors and products of small and medium industries (Dinas Koperasi, UMKM Perdagangan dan Perindustrian Kabupaten Cianjur, 2018).

However, the current policy of empowering MSMEs in Cianjur Regency has not been able to overcome other problems that have arisen due to the pandemic, namely: First, the low quality and capacity of MSMEs as seen from the low spirit of entrepreneurship, market access, regional potential competitiveness, financial literacy, business management, and product standardization. Second, the business climate for MSME actors has not yet been created, because most MSME players are only oriented to the domestic market and not export-oriented to increase Indonesia's GNP and Cianjur Regency GDP. The Department of Cooperatives, MSMEs, Trade, and Industry, Cianjur Regency also stated that there were around 10 thousand MSMEs that had to stop temporarily. Even though some survived, they had to switch production due to the pandemic outbreak which had an impact on sales and production levels (Slamet, 2020). Therefore, by using the concept of local government policy, which is complemented by the development of competitiveness, this study seeks to see changes in MSME empowerment policies in the COVID-19 pandemic situation, to increase the competitiveness of business actors in Cianjur Regency.

Literature Review

Local Government Policy

The regional autonomy policy is one form of implementation of Article 18 of the 1945 Constitution in implementing the division of regions by the form of government structure. Regional autonomy in Law No. 23 of 2014 (Republik Indonesia, 2014) is defined as the rights, powers, and obligations of autonomous regions to

regulate and manage their government affairs and the interests of local communities in the system of the Unitary State of the Republic of Indonesia. The authority granted is real and broad, consisting of several basic elements of local government, namely authority, institutions, personnel, regional finance, representation, public services as well as guidance and supervision. The aim is to create community welfare and support the democratic process at the local level.

Following articles 11 and 12 of Law No. 23 of 2014, the authority of local governments which are included in concurrent government affairs consists of mandatory government affairs and optional government affairs. Mandatory government affairs are divided into two, namely: mandatory affairs related to basic services and mandatory government affairs not related to basic services. Mandatory affairs related to basic services include education; health; public works and spatial planning; public housing and residential areas for peace, public order, and community and social protection. Mandatory government affairs that are not related to basic services are manpower; empowerment of women and children; food; defense; environment; population administration; community development; family planning; communication; communication and informatics; and cooperatives, micro, small and medium enterprises. Meanwhile, the preferred government affairs are in the form of marine and fishery; tourist; Agriculture; forestry; energy and mineral resources (ESDM); trading; industry; and transmigration (Republik Indonesia, 2014).

The MSME sector is included in one of the concurrent affairs or joint affairs between the central and regional governments. Thus, there are several policy strategies in empowering MSMEs in various regions. The strategy can be seen in Firmansyah's research (Firmansyah, Pratiwi, & Riyanto, 2014) which is located in Madiun Regency, through marketing development strategies, human resource development, licensing arrangements, and institutional functions. Meanwhile, Ondang's research, located in Minahasa Regency, explains the role of local governments in empowering MSMEs through: (Ondang, Singkoh, & Kumayas, 2019): a facilitative role by introducing MSME processed products, an educational role by providing training, a representative role through collaboration with lenders, and finally a technical role by providing information and holding seminars for business actors.

Thus, MSMEs have become one of the affairs in local government policies. Nevertheless, there is a role for the central government as one of the concurrent affairs. However, the local government is tasked with taking a design and alternative policies in making policies for empowering MSMEs. As in the process of making MSME empowerment programs, there is community involvement in planning, implementing, and supervising development in the government, which can be seen in the making of policies proclaimed in local governments. (Chalid, 2005). This can be seen in the development of the MSME empowerment policy program carried out by the Department of Cooperatives, MSME Trade and Industry in Cianjur Regency by conducting an initial survey of MSMEs affected by the Covid-19 pandemic.

Competitive Development

The existence of business competitiveness can determine the success and failure of a business, not only that competitiveness is also able to determine the suitability of business activities which in this case contribute to innovation, a cohesive culture, and good implementation. In this case, Porter also explains competitiveness as follows, namely (Porter, 1985): First, being able to increase the capacity of the economy seen in the regional context and the number of business actors to be able to increase gross national income. Second, being able to encourage productivity and capacity building. Third, the existence of a market mechanism can create efficiency.

In previous research in the development of competitiveness, there were various studies, namely the Lafuente research (Lafuente, Szerb, & Rideg, 2020) who took the location on MSMEs in Hungary revealed that investment in financing is not the main focus in increasing the competitiveness of MSMEs, while the strategy that can increase the competitiveness of MSMEs is the business to business strategy.

While in Rajesh's research (Singh, Garg, & Deshmukh, 2010), Sedyastuti (Sedyastuti, 2018), Ginting (Ginting, Hubies, & Fahma, 2019) revealed that the strategy in developing competitiveness is to optimize the role of ICT, which in this case is to be able to reach domestic and international markets. Not only that, the role of government and stakeholders, costs, quality, and product development are other factors besides the role of ICT.

Thus, the development of business competitiveness carried out on MSMEs in different locations has similarities with one another, namely the application of marketing programs and the development of ICT used so that business actors can do online marketing, namely through social media and other marketplaces.

In this case, the existence of the aspect of competitiveness in increasing the capacity of the regional economy and the number of business actors can increase gross national income following the role of MSMEs as well as being able to increase the GNP of their respective regions. Not only that but this can also be seen from the role of MSMEs by 60% for increasing GNP (Dinas Koperasi UMKM Perdagangan dan Perindustrian Kabupaten Cianjur, 2021). Meanwhile, in the second aspect of increasing capacity and productivity as well as market mechanisms, it can be seen from the existence of several aspects and factors in increasing the development of business competitiveness through marketing, product diversification, networking, and financing.

First, the diffusion of innovation, namely an innovation process that aims to achieve economies of scale that increase the competitiveness and profitability of the company. The product innovation process aims to achieve economies of scale that increase the competitiveness and profitability of the company, this change indicates a transformation in the dynamics of diffusion (Barquero, 2003). Existence strategy in diversifying seen and based on the product itself, the delivery system used to sell, the marketing approach, and various other factors. Thus, if a business wants to expect a product to be sold at a high price, it must be able to develop a unique product (Porter, 1985). This is in line with the efforts made by the Cianjur Regency Government in

collaboration with the West Java Provincial Government in improving the development of the competitiveness of business actors.

Second, marketing is a social process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products and services of value with others. (Kotler & Keller, 2012). The marketing mix strategy is the materials and methods used as training for MSMEs. The marketing mix strategy, which was first coined by Jerome McCarthy, is part of a marketing strategy that is used to specify four marketing decision factors, and consists of the 4Ps: product, place, price, while in the field of promotion, activities communicate the value of the product by persuading consumers to buy a product (Kotler, Amstrong, Wong, & Saunders, 2017). As the marketing aspect, it is one of the development programs for the empowerment of business actors to improve aspects of competitiveness through online and offline marketing. Third, the existence of networks in the development of competitiveness can be seen through the existence of two stakeholder role models, namely Pentahelix and Triplehelix. Pentahelix or ABCGM (Academic, Business, Community, Government, and Media), is one solution to overcome the main problems of MSMEs in Indonesia. Meanwhile, Triplehelix is a transformation model between universities, private companies, and government agencies (Brink & Madsen, 2016). In this case, the Cianjur Regency Government is trying to collaborate with the stakeholders contained in the Penta helix model to develop the empowerment of MSMEs in dealing with the COVID-19 pandemic situation.

Fourth, the policy of financing through social assistance can be defined as programs that are targeted in various ways to the poor, or groups of people who are vulnerable to poverty and economic shocks. Social assistance programs can take the form of cash interventions, including programs that provide transfers in cash such as need-based income-support programs or child benefits and non-contribution pensions for the elderly and people with disabilities (Asian Development Bank, 2011). The form of social assistance as one of the financing program assistance is also implemented by the central government through the Productive Assistance for Micro Enterprises program organized by the Ministry of Cooperatives and MSMEs to assist micro business actors in Indonesia.

Research Methodology

This research method uses a qualitative approach, this research was carried out in Cianjur Regency, with research locations at the Department of Cooperatives, MSMEs, Trade and Industry, Cianjur Regency, Center for Integrated Business Services for Cooperatives, and MSMEs and MSMEs in Cianjur Regency through two ways, namely by interviewing directly to the field and interview using zoom meeting. Data was collected through (1) Interviews were conducted with in-depth interviews with informants to find out the problem under study; (2) Document study, namely by looking at references or documents related to research problems to be able to analyze and view various information in research; (3) Observation, namely by looking at the

general condition of the MSMEs in Cianjur Regency and the condition of the Cianjur Regency area during the COVID-19 pandemic. Data processing and analysis techniques were carried out in three ways, namely: open coding, axial coding, and selective coding.

The main informants in this study came from the local government of Cianjur Regency, namely the Head of Cooperatives and MSMEs from the Department of Cooperatives, MSMEs, Trade, and Industry of Cianjur Regency, Head of Center of Integrated Services of SMEsCo Cianjur and HR Consultant Center of Integrated Services of SMEsCo Cianjur. While the informants from the central government as a triangulation material amounted to one person, from the Directorate of Domestic Trade of the Ministry of Trade of the Republic of Indonesia, who was in charge of holding various product development training, collaboration with retail, and marketplaces for MSMEs throughout Indonesia. The last is the informant who comes from MSMEs in Cianjur Regency, which is also used as a triangulation material. This MSME informant has been recorded as a group affected by COVID-19 in Cianjur Regency.

Results and Discussion

Marketing

Marketing is an important aspect of the MSME empowerment policy and is included in the 4P strategy: product, place, prices, and promotions. In promotion, some activities communicate the value of the product by persuading consumers to buy a product (Kotler, Amstrong, Wong, & Saunders, 2017). Product and price are also included in the scope of HR, namely by providing training in product development accompanied by assistance in pricing. The marketing aspect that is trying to be discussed in the policy for changing the empowerment of MSMEs is seen in place and promotion, which are the main problems for MSMEs during the pandemic.

The COVID-19 pandemic poses problems for Cianjur SMEs in the field of product promotion. Offline marketing encounters obstacles when it comes to the implementation of social restrictions for community activities. So, the effort launched by the Department of Cooperatives, MSMEs, Trade, and Industry of Cianjur Regency is to market online. However, in it, there is a combination of types of marketing, namely moving to online marketing while still providing offline marketing.

Online marketing efforts are carried out in two ways. First, making the SIMPUL application (Cianjur MSME Product Marketing Information System). This application is in the form of an e-catalog which was launched in July 2020. SIMPUL can be said to be the beginning of the introduction of Cianjur MSME products with a target that if it reaches 1,000 MSMEs, it will be followed by the creation of e-commerce named TAUCO. SIMPUL is also the beginning of online marketing for MSMEs in Cianjur Regency. However, even though it has existed since July 2020, the accumulation of MSMEs who are members of SIMPUL until July 2021 (a year after) has only reached

150 MSMEs. This means that development and socialization are still needed to achieve the target of establishing e-commerce.

Next, the second is the establishment of the TAUCO application (Cianjur Online Various MSMEs Terminal) and is the development of SIMPUL. The establishment of TAUCO as an e-commerce MSME in Cianjur still requires a lot of development, especially in terms of human resource development for business actors who are the initial foundation in online marketing through e-commerce.

Third, The form of offline marketing carried out by the regional government is implementing the Cianjur Regency Regional Regulation No. 4 of 2020 concerning Empowerment, Development, and Protection of Cooperatives and MSMEs Article 26, which states that tourism service businesses, hotels, shopping centers, and modern shops are required to provide 20% space for MSMEs to be able to promote goods produced by business actors. As for The provision of space is shown for hotels and restaurants so that they always help the SMEs in Cianjur Regency to market the products that are traded. This was conveyed by the Head of the Department of Cooperatives, MSMEs, Trade, and Industry, Cianjur Regency, IS as follows: (IS, 2021):

"Yes, we divide marketing in two, so online and offline, now offline we have the Cianjur Regency Regional Regulation No. 4 of 2020, in the PERDA there is essentially one article that hotels, restaurants, restaurants must provide a maximum of 20% space for marketing. MSME products. So every hotel and restaurant must be accommodated to provide space for MSMEs. So we help with offline and online marketing" (IS, 04/2021)

This is also included in the movement to love MSME products which will be initiated and intensified through a circular from the Regent of Cianjur Regency.

Network

Role of stakeholders can be seen based on two models, namely the triple helix model which consists of three elements of partnership or stakeholders (academics, community, and government), or the Penta helix/ABCGM model (academics, business, community, government, and media). The existence of business partnerships is expected to enter the realm of stakeholders in the Penta helix element (Brink & Madsen, 2016). First, the role of academics is seen in the collaboration through real work lectures. This collaboration is proven by the placement of real work lectures locations determined by Center of Integrated Service of SMEsCo Cianjur. For example, by placing the real work lectures location in Ciputri Village with the consideration that even though the MSME actors have the skills, capital, and motivation, the difficulty of accessing roads and internet networks for marketing is one of the obstacles for business actors in Ciputri Village. As it is explained in the reason the selection of research locations to carry out the real work lectures program carried out between universities and Center of Integrated Service of SMEsCo ,there are various considerations in choosing the location of real work lectures. Human Resources Consultant for Center of Integrated Service of SMEsCo Cianjur, BY stated as follows (BY, 2021):

"Ciputri village has women who are very creative in making products, so the real work lectures program helps by helping produce and market these products. The ladies there started from how to make soap, scrubs, lemongrass tea, now there are products. So why is that because there are female mothers there? And that's the results of the analysis, oh it turns out that in the city, the followers are easy, if you want to update there, how do people have a hard time signaling, so that's a study. Because not all areas are covered." (BY, 04/2021)

Meanwhile, in the second role, namely the role of business, which is seen from the role of business actors and entrepreneurs who are expected to have the desire to carry out and follow various policies and programs made by the government. Third, the role of the government is seen in the making of various policies that have been launched for business actors. An example is a change in MSME empowerment policies that focus on three things, namely marketing, human resources, and financing. Fourth, the role of the community as seen from the training held by the community in collaboration with LKPP, West Java e-commerce (Borongdong. id), and PT Advokat. The goal is for business actors to be able to enter the retail. While the last role is the media, which is for business actors to start using various social media to do marketing.

Product Diversification

Product diversification is the basis for renewal in a production process. This is then also one of the policies that the West Java Provincial Government is trying to launch. The existence of a product diversification process was also conveyed by the HR consultant of Center of Integrated Service of SMEsCo Cianjur who revealed that the product diversification carried out included changes, such as initially the food business actors eventually switched to other businesses such as scarf making. Or a clothing seller who has turned into a mask production business actor. As explained by the Human Resources Consultant of Center of Integrated Service of SMEsCo Cianjur, BY as follows (BY, 2021):

"The name is product diversification, including the existence of pivot (well, that's a change, for example, initially a food business actor because it was stopped and eventually moved to another to scarf) in fish the pivot is 175%. I mean 175%, some are 100% full. Initially, food products are now crafts. From what they started eating, they stopped eating, and then they produced masks." (BY, 04/2021)

Diversification strategy is seen based on the product itself, product delivery system, marketing approach, and various other factors. Thus, if a business has to develop a unique product, it is expected to be able to be sold at a high price (Barquero, 2003). This is following the efforts and assistance that comes from the provincial government through the procurement and production of masks, when the provincial government is tasked with assisting in sales, marketing, and raw materials, which are then prepared in the form of assistance in the procurement of masks to business actors in West Java Province, including SMEs in Cianjur Regency. in line with what is explained by the Head of Cooperatives and MSMEs, Department of Cooperatives, MSMEs, Trade and Industry, IS, as follows (IS, 2021):

"First, from the province, they ordered masks from MSMEs of around 140 million, I forgot, that's what we empowered MSMEs that were in us, previously sewing, now they are given orders for masks. So that's one of the assistance from the province there is also training" – (IS, 04/2021)

Financing

Financing to increase production costs, working capital, and fixed capital is one of the policy changes in empowering MSMEs in Cianjur. Financing is intended as one of the targets of the policy for changing the empowerment of MSMEs in Cianjur, focusing on facilitating assistance and access to financing provided by the region, to be able to improve and develop, as well as assist MSMEs affected by COVID-19. The financing policy was submitted by the Head of the Cooperatives and MSMEs Section, the Trade and Industry MSME Cooperatives Service, IS, as follows (IS, 2021):

"For this capital, (the policy is that we help facilitate access to capital. So that means, there is a People's Business Credit program, then if the cooperative has an The Agency for Revolving Fund Management for Cooperatives and Small and Medium Enterprises and it's very cheap, yes. Plus we have a plan that is being submitted to the Regent because this Regent has just been elected." and it has not been inaugurated, later when it is inaugurated we will propose it. There will be a capital assistance program with 0% interest, so revolving funds are provided from the local government, there is participation from rural banks, let's say that Rp 2 billion is included in capital and that is for MSMEs, 0% so So by the manager of the rural banks, operational funds are given" (IS, 04/2021)

The existence of policies is not only determined by business actors in increasing the competitiveness of their products and businesses but is also determined by the government, by providing social assistance to business actors in need. This is following several programs proclaimed in the financing policy, namely: First, facilitation of access to financing from the central government, namely the provision of assistance developed by the central government in access to People's Business Credit and Government Assistance for Micro Enterprises, social assistance programs can in the form of cash interventions, including programs that provide cash transfers such as needs-based income-support programs or child benefits and non-contribution pensions for the elderly and disabled (Asian Development Bank, 2011). Second, the program was launched by the Cianjur Regency Government through a revolving fund.

Draft Changes in MSME Empowerment Policy in Cianjur Regency

This policy change can be seen in the direction of public policymaking proposed by William N Dunn, which is divided into five stages namely: (Dunn, 2003): Agenda Setting, Policy Formulation, Policy Adoption, Policy Implementation, and Policy Evaluation. The initial stage, namely the formulation of the problem, is seen in the various causes and challenges faced by MSMEs. Thus, the objectives to be achieved in changing the MSME empowerment policy are expected to be in line with the objectives of the Cianjur Regency Government, namely to make MSMEs Cianjur Manjur (Independent, Advanced, Religious and Has Noble Morals). So, the policy formulation stage, which consists of the problems found in MSMEs in Cianjur

Regency, is accompanied by solutions that focus on increasing the quantity and quality of human resources, developing competitiveness, and providing capital to business actors. The problems that are often hit by MSMEs. In this case, The policy launched by Cianjur Regency is certainly different from focusing on three main points in the MSME empowerment program, namely human resources, marketing, and capital. As stated by the Head of the Department of MSMEs, Trade, and Industry, Cianjur Regency, IS (IS, 2021):

"Mostly if we conclude that their problems are three. The first is HR, the second is marketing and the third is capital. So if we look at the problems during the pandemic, especially in those three things" - (IS, 04/2021)

Thus, at the policy adoption stage, various opportunities, challenges, problems, and solutions that have been identified become one of the alternative outputs of MSME empowerment policies, which are focused on three main objectives, namely making Cianjur MSMEs. Effective in the field of human resource development, marketing, and capital. To achieve the planned objectives of the MSME empowerment policy, every program that has been designed to be implemented must also be equipped with the objectives and forms of the program to be carried out. As for, in this case, the objectives, targets, and programs contained in the draft policy for empowering MSMEs in Cianjur for 2021-2025 are as follows:

Table 1. Objectives, Targets and Policy Programs for MSME Empowerment in 2021

Aim	Target	Program
MSMEs in Cianjur Regency can increase the competitiveness of businesses and products	<ol style="list-style-type: none"> 1. Creating e-catalog and e-commerce channels 2. Availability of space for MSMEs in hotels, restaurants, and minimarkets 	<ol style="list-style-type: none"> a. Optimization of SIMPUL Application (Advanced MSME Product Marketing Information System) b. TAUCO Application Development and Outreach c. Application Provision of 20% space for MSMEs to market their products in hotels, restaurants, and minimarkets d. Increasing the number and cooperation of stakeholders e. Procurement Development of Product Diversification
MSMEs in Cianjur Regency can be independent in	<ol style="list-style-type: none"> 1. Facilitate access to central and provincial government financing assistance 	<ol style="list-style-type: none"> a. Facilitation and assistance in access to financing (Government

terms of business capital financing	2. Utilization of revolving funds with 0% interest	Assistance for Micro Enterprises, People's Business Credit, The Agency for Revolving Fund Management for Cooperatives and Small and Medium Enterprises and others) b. Introduction and Development of a revolving fund program with 0% interest
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Source: Department of Cooperatives, MSMEs, Trade and Industry, Cianjur Regency (data processed)

Conclusion

The existence of policy changes to empower Cianjur SMEs to improve business competitiveness is divided into three parts, namely: human resource development, marketing, and capital. The programs proclaimed in the Cianjur MSME empowerment policy consist of; 1) SIMPUL Application Optimization Program (Advanced MSME Product Marketing Information System); 2) TAUCO Program Socialization and Application Development; 3) Program Application of 20% Space Provision for MSMEs to Market their Products in Hotels, Restaurants and Minimarkets; 4) Improvement and Development Programs in Collaboration with Business Partnerships and Stakeholders; 5) Access to Financing Facilitation and Assistance Program; and 6) Revolving Fund Introduction and Development Program with 0% Interest.

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