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IMPLEMENTATION OF THE SMALL AND MEDIUM INDUSTRY (IKM) PROGRAM IN EMPOWERING BUSINESS ACTORS AT THE DEPARTMENT OF COOPERATIVES, SMES, AND TRADE OF BARRU REGENCY

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ABSTRACT

This study aims to examine the implementation of the Small and Medium Industry (IKM) Program in empowering business actors in the industrial sector at the Department of Cooperatives, Small and Medium Enterprises (UKM), and Trade of Barru Regency, as well as to identify the factors inhibiting the program's implementation. This research employs a qualitative descriptive approach. The subjects of the study include employees of the Department of Cooperatives, UKM, and Trade, as well as business actors. Data collection techniques include observation, interviews, and documentation. The validity of the data is ensured through credibility, transferability, dependability, and confirmability. Data analysis techniques involve data condensation, data presentation, and drawing conclusions. The findings indicate that the implementation of the IKM Program in empowering business actors in the industrial sector at the Department of Cooperatives, UKM, and Trade of Barru Regency has been quite effective, with several indicators being met, including communication, executor attitudes, and bureaucracy structure. However, one unfulfilled indicator is human resources (HR), which are insufficient in number. Additionally, the inhibiting factors for the IKM Program's implementation in empowering business actors include human resources (HR) and budget constraints.

Keywords: Implementation, Small and Medium Industry (IKM), Business, Empowerment.



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A.INTRODUCTION

Globalization has emerged as a transformative phenomenon that compels enterprises at the microeconomic level to enhance efficiency to compete effectively at local, national, and international levels. By integrating markets and investment dynamics, globalization introduces both challenges and opportunities for businesses of all scales—small, medium, and large.

Addressing these challenges necessitates robust competitiveness, defined as the capability of firms, industries, regions, or nations to generate high incomes and employment relative to global standards (Porter, 1990; World Bank, 2023).

Indonesia is endowed with abundant human and natural resources, offering significant potential for industrial development across sectors such as textiles, food, housing, tourism, and pharmaceuticals. These resources underpin Indonesia's industrial growth and economic progress (ADB, 2022). Nonetheless, achieving sustainable growth requires a delicate balance between employee expectations for equitable remuneration and employer objectives of maximizing profitability. This dynamic interplay underscores the importance of strategic workforce management and equitable policy frameworks (OECD, 2023).

In the realm of public administration, fostering collective action for the public good remains a pivotal objective. This entails more than mere problem-solving; it emphasizes shared interests and collective well-being. Public administration systems are designed to improve welfare, deliver efficient services, and ensure societal prosperity (Dwiyanto, 2006). The Indonesian government, through its diverse policy initiatives, has sought to address societal challenges spanning political, economic, and social domains. Policies are implemented collaboratively, emphasizing stakeholder engagement to bridge societal gaps and promote economic growth, particularly through export promotion at regional and national levels (Ministry of Trade, 2024).

However, policy implementation often encounters significant challenges. Conflicting interests among stakeholders and bureaucratic inefficiencies can undermine the intended outcomes. Specifically, government initiatives aimed at bolstering small and medium enterprises (SMEs) face structural and operational hurdles. SMEs, as defined by the Indonesian Law No. 20 of 2008, are independently owned productive enterprises that play a crucial role in job creation and economic resilience. SMEs in Indonesia have demonstrated remarkable agility, particularly during economic crises, such as the 1997–1998 Asian financial crisis, where they absorbed 95% of the workforce despite resource constraints (Bappenas, 2023).

The resilience and adaptability of SMEs underscore their importance in economic recovery and growth. Their strengths lie in fostering employment, leveraging technology, and maintaining operational flexibility. Unlike large corporations, SMEs operate with relatively low capital investment, enabling greater risk-taking and innovation. These characteristics make SMEs critical drivers of economic diversification and innovation (Tambunan, 2022).

Despite their potential, SMEs face persistent challenges, including limited access to financing, inadequate infrastructure, and capacity-building needs. For instance, research highlights the significance of technical assistance in financial management, such as the adoption of EMKM-compliant accounting standards, to enhance competitiveness in the digital economy (Syahrenny et al., 2021). Additionally, human capital development and market infrastructure improvements are pivotal for sustaining SME growth and reducing poverty rates (Anggraini & Rosidin, 2021). Addressing these issues through targeted policies and capacity-

building programs is imperative to unlocking the full potential of SMEs and ensuring inclusive economic development.

Preliminary observations in March 2024 in Barru Regency identified several government programs aimed at empowering SMEs, including the facilitation of integrated trade distribution systems, institutional strengthening, and the provision of essential utilities such as water and electricity. These initiatives reflect the government's commitment to fostering SME growth and creating employment opportunities for local communities. However, successful implementation requires addressing systemic barriers and enhancing stakeholder collaboration (Irawan & Simargolang, 2018).

This study aims to explore the effectiveness of SME empowerment programs in Barru Regency, focusing on their contribution to economic growth, employment generation, and social welfare. The findings are expected to provide actionable insights for policymakers and stakeholders to optimize SME support mechanisms and ensure sustainable development outcomes. Irawan and Simargolang (2018, p. 67) define implementation as "a process of achieving results that align with the objectives or targets of the policy itself, where policy implementation is an activity or action." Meanwhile, Webster, as cited in Yuliah (2017, p. 133), explains that implementation means "to provide the means for carrying out" and "to give practical effect."

Based on the preliminary observations conducted by the researcher in March 2024, it was found that the Department of Cooperatives, Small and Medium Enterprises (SMEs), and Trade of Barru Regency has initiated various strategic programs. These programs include Small and Medium Industries (IKM), the provision of trade distribution facilities, price and stock control integrated into the trade information system, empowerment of institutional potential and micro-enterprise development, provision of communication services, water resources, electricity, and other work programs aimed at increasing employment opportunities and improving the welfare of the community in Barru Regency.

➤ **Conceptual Framework**

The conceptual framework provides an understanding of the issues to be discussed. It is expected to serve as a guideline for the research, ensuring it remains well-structured and focused. The conceptual framework used in this study consists of key indicators or essential elements derived from the theoretical structure, which supports the researcher in identifying and collecting the necessary data or information.

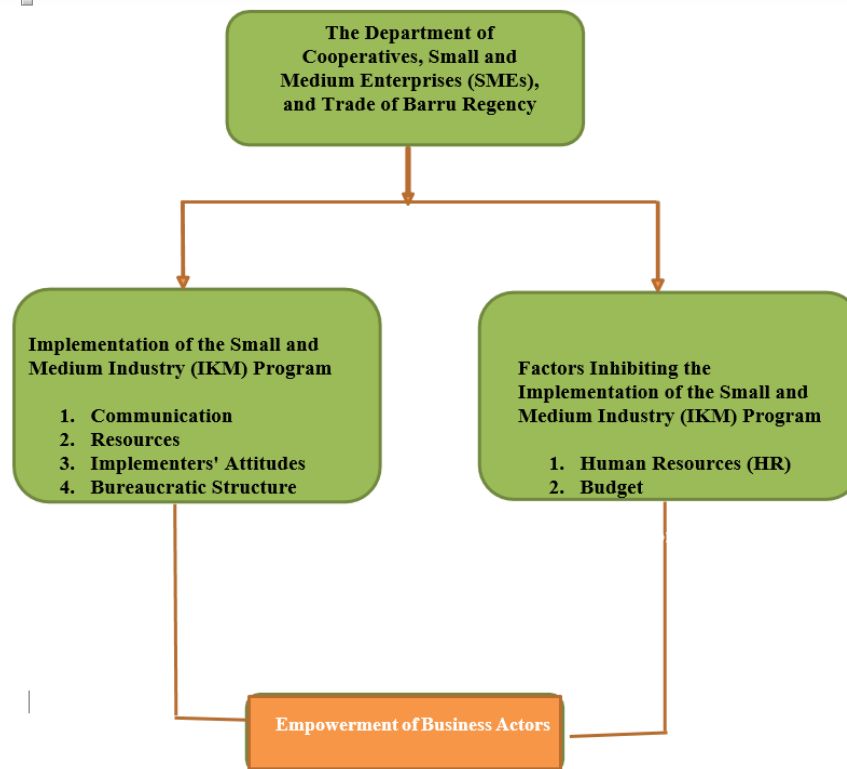


Figure 1. Conceptual Framework

C. RESEARCH METHODOLOGY

This study employs a descriptive research design with a qualitative approach. According to Sugiyono (2019, p. 14), "descriptive research is research used to determine the value of independent variables, either one or more variables (independent), without making comparisons or relating one variable to another." By using a descriptive approach, this research aims to provide a detailed and in-depth description of the implementation of the Small and Medium Industry (IKM) program, as well as the factors inhibiting the empowerment of business actors within the Cooperatives, Small and Medium Enterprises (UKM), and Trade Office of Barru Regency.

Furthermore, this research adopts a qualitative approach, which, according to Sugiyono (2019), "is a research method used to study the natural conditions of the object, where the researcher acts as the key instrument." Data collection techniques in this study are carried out through triangulation, which involves a combination of various data sources obtained through observation, interviews, and documentation. The data analysis process is inductive, meaning that the research findings focus more on understanding the meaning contained within the data rather than generalizing to the entire population.

The data analysis process in this research follows three main steps: data condensation, data presentation, and drawing conclusions. Data condensation involves filtering and selecting relevant information for the research purposes, while data presentation organizes the condensed information to make it easier to understand and analyze. Conclusion drawing is performed

based on the findings generated throughout the data analysis process, and these conclusions are used to describe and explain the phenomenon being studied.

In this research, the validity of the data is tested using four criteria: credibility, transferability, dependability, and confirmability. Credibility refers to how well the research findings reflect the actual reality, while transferability concerns the ability to apply the research findings to different contexts. Dependability measures the consistency of the research results when conducted at different times, and confirmability ensures that the findings are accountable and can be verified by others.

D. RESEARCH RESULTS AND DISCUSSION

➤ Description of the Research Location

In a research study, the description of the research location is used to depict the conditions of the location where the research is conducted in order to find solutions to the ongoing research problems. The research location can also be defined as the place where the study is carried out. The description of the research location may include various elements such as a map of the village, a brief history, vision and mission statements, and other relevant details.

➤ General Overview of Barru Regency

Astronomically, Barru Regency is located between the coordinates of 4°0.5'35"– 4°47'35" S and 119°35'00"– 119°49'16" E. Barru Regency has a varied landscape, including coastal areas, lowland plains, and highlands. The eastern part of Barru Regency consists of highland areas with elevations ranging from 100 to 1700 meters above sea level, while the western part, facing the Makassar Strait, has a flat to gently sloping topography with elevations ranging from 0 to 20 meters above sea level. In addition, Barru Regency has a wide variation in slope, ranging from flat areas to rolling hills and mountains, with slope percentages ranging from 0% to over 40%.

Barru Regency is one of the 24 regencies and cities in South Sulawesi Province. It serves as a trans-Sulawesi route located along the western coast of South Sulawesi Province, approximately 100 km north of the city of Makassar, with a total area of 1,174.72 km².

Administrative Map of Barru Regency, 2022

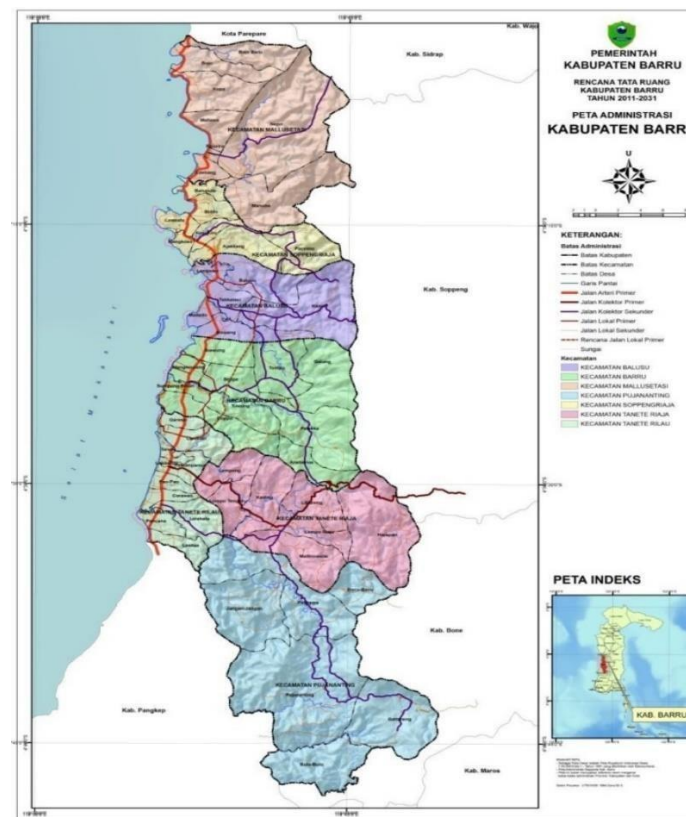


Figure 2. Administrative Map of Barru Regency

➤ Research Findings

Implementation of the Small and Medium Industry (IKM) Program in Empowering Entrepreneurs in the Industry Sector at the Cooperatives, Small and Medium Enterprises (UKM) and Trade Department of Barru Regency. This study uses indicators from Edward's Theory to address the research question regarding the implementation of the Small and Medium Industry (IKM) program in empowering entrepreneurs in the industry sector at the Cooperatives, Small and Medium Enterprises (UKM) and Trade Department of Barru Regency. The indicators in the implementation of a policy are: Communication, Resources, Attitude of Implementers, and Bureaucratic Structure. This research is qualitative, with a descriptive approach that narratively presents the data obtained from observations, interviews, and documentation. The findings from this study concerning the implementation of the "Small and Medium Industry (IKM) Program in Empowering Entrepreneurs in the Industry Sector" are detailed through interviews with the informants, focusing on the indicators of Edward's Implementation Theory, which include:

a. Communication

Communication is the process of conveying messages, including information, ideas, emotions, and skills, through symbols or signs that can lead to behavioral changes. Based on

the interviews, it can be concluded that the communication carried out by the staff to the entrepreneurs includes socialization, which is a training on the procedures for managing and developing industries handled by the entrepreneurs. The socialization is conducted in simple language that is easy to understand by the entrepreneurs and is delivered by experts in the industrial field. The Industry sector also collaborates with the Ministry of Religion and the Food and Drug Monitoring Agency (BPOM) to provide socialization regarding product halal certification, especially for food and medicine.

b. Resources

Resources refer to the potential value of a particular material or element in life. Resources can be tangible or intangible. Some resources can grow, increase, or disappear, while others are perpetual. Based on the interviews, it can be concluded that the resources refer to the human resources (HR) or staff who are responsible for implementing socialization and evaluation/monitoring to assess the success of the IKM program for entrepreneurs. The availability of staff is currently insufficient. In addition to human resources (HR), physical resources such as tools and equipment used by staff to implement tasks or programs like the IKM program are needed. Financial resources are also essential for staff to carry out field assignments or travel for work.

c. Attitude of Implementers

The attitude of implementers refers to the behavior of the individuals who are executing the program, not only in terms of support and agreement with the policy but also having the understanding and capability to execute the policy effectively. The presence of enthusiasm, commitment, and dedication in carrying out the duties is essential for the successful implementation of the policy. Based on the interviews, it can be concluded that the implementers, in this case, the staff at the Cooperatives, Small and Medium Enterprises (UKM) and Trade Department of Barru Regency, are executing their duties effectively. This is evident in their use of clear and accessible language for socializing the IKM program to the entrepreneurs. Entrepreneurs hope that the socialization of the IKM program will be conducted continuously, enabling them to compete with IKM actors from other regions.

d. Bureaucratic Structure

Bureaucratic structure refers to the organizational structure, workflow, division of labor, and hierarchy within an institution that is crucial for carrying out tasks in an orderly manner. Bureaucracy typically refers to those who work at desks, following strict rules. Originally, bureaucratic organizations were created to serve kings or rulers, not the people, and thus had a feudal character. Based on the interviews, it can be concluded that the bureaucratic structure involves staff who understand the concept of industry broadly and have significant influence in the industrial field.

➤ Discussion

Based on the results of the research, the issues discussed will be elaborated upon further, as follows: The discussion of the implementation indicators is based on Edward's Theory, which focuses on four key indicators:

a. Communication

Communication plays a fundamental role in human interaction. In the context of policy implementation, effective communication is essential, as it ensures the dissemination of necessary information regarding the policy's content, the process involved, and the resources required. The implementation of IKM programs relies heavily on communication between the implementers and business actors. Communication efforts are carried out using clear and understandable language for business actors, ensuring that the information provided is accessible. Furthermore, communication is conducted by experts in their fields, such as the personnel from the Cooperative, SME, and Trade Office of Barru Regency, particularly in the industrial sector.

b. Resources

Resources refer to the potential values that are inherent in materials or intangible elements. These resources are crucial for the implementation of a policy. Based on the findings, it was concluded that one of the significant resources is the personnel assigned to carry out the program. The staff involved in the industrial sector have the crucial role of conducting outreach, monitoring, and evaluation to assess the success of the IKM program. A shortage of staff hinders the program's execution, particularly in terms of supervision, distribution of essential goods, and field monitoring.

c. Attitude of Implementers

The attitude of the implementers, including their commitment, enthusiasm, and dedication, is vital in ensuring the success of a program. Based on the research, it was found that the staff involved in the IKM program implementation have demonstrated positive attitudes, using language that is easy to understand by business actors. However, business actors expressed the desire for continuous outreach efforts to help them compete with other IKM sectors in different regions.

d. Bureaucratic Structure

The bureaucratic structure refers to the organizational setup that supports the smooth execution of tasks in a regulated manner. Based on the findings, it can be concluded that the bureaucratic structure for implementing the IKM program has been functioning well. The distribution of responsibilities within the industrial sector has been clearly defined, with

specific duties assigned to staff members for monitoring and evaluation tasks. Each staff member is assigned to a particular location and product for supervision. Obstacles in the Implementation of the Small and Medium Industry (IKM) Program for Empowering Business Actors in the Industrial Sector at the Cooperative, SME, and Trade Office of Barru Regency

Effective outreach programs, particularly those targeting new information for business actors, require optimal human resources. The limited number of staff in the industrial sector, with only five employees responsible for the program, poses a significant obstacle. Additionally, these staff members are also tasked with other duties, which hampers the smooth execution of the IKM program.

Budget constraints have also been identified as a significant obstacle in the implementation of the IKM program. The allocated budget is often insufficient to cover all the planned activities, limiting the scope of the program. As a result, new ideas or innovations for business actors cannot be implemented promptly due to financial limitations, which delays product development and hinders economic growth.

D. CONCLUSION AND SUGGESTIONS

➤ Conclusion

Based on the research findings regarding the implementation of the Small and Medium Industry (IKM) programs for empowering business actors in the industrial sector at the Cooperative, SME, and Trade Office of Barru Regency, the following conclusions can be drawn:

1. The implementation of the IKM program is influenced by several factors, including the effectiveness of communication, resource availability, the attitude of implementers, and the bureaucratic structure. While communication and bureaucratic structures are functioning well, challenges remain in human resources and budgeting.
2. Human resource limitations significantly impact the success of the IKM program. The shortage of staff, who are responsible for various tasks, hinders the smooth execution of outreach, monitoring, and evaluation efforts.
3. Budget constraints are a major obstacle in the implementation of the program, making it difficult to conduct activities as planned and preventing the introduction of innovative initiatives for the benefit of business actors.

➤ Suggestions

In order to improve the implementation of the IKM program and overcome the identified obstacles, the following suggestions are proposed:

1. **Increase Human Resources:** It is essential to recruit additional personnel to ease the workload of existing staff members. By increasing the number of qualified employees,

the IKM program can benefit from more efficient monitoring, supervision, and outreach, ultimately improving its effectiveness.

2. Increase Budget Allocation: The budget allocation for the IKM program should be reviewed and adjusted to ensure that it is sufficient to meet the needs of the program. A larger budget will allow for the implementation of more comprehensive activities, the development of innovative solutions, and the creation of sustainable growth opportunities for business actors.
3. Continuous Training for Implementers: To enhance the effectiveness of the IKM program, staff members should undergo regular training to improve their skills, particularly in communication, program management, and technical expertise. This will ensure that they are well-equipped to address challenges and provide better support to business actors.
4. Foster Collaboration with Other Agencies and Partners: Strengthening collaboration with other institutions, such as universities, business associations, and private sector partners, could provide additional resources, expertise, and funding opportunities. This collaboration would help to strengthen the program's impact and create synergies for business actors.

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