

**The Government's Political Will in Optimizing MSME Empowerment in
Bogowonto, Madiun**

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ABSTRACT

Empowering Micro, Small, and Medium Enterprises (MSMEs) is one of the main focuses of government policy in promoting inclusive and sustainable economic growth. In the Bogowonto area of Madiun, government policy has been directed at optimizing the potential of MSMEs through various strategic programs and initiatives. This study aims to analyze government policies in optimizing MSME empowerment in Bogowonto, Madiun, and identify factors that influence the successful implementation of these policies. The research method used is a qualitative method with a descriptive-analytical approach. Data were obtained through in-depth interviews with MSME actors, local government officials, and local economic experts, as well as documentation studies from various secondary sources. The results show that government policies cover several key aspects, namely increasing access to capital, training and capacity building, and promotion and marketing of MSME products. This study also identifies several challenges in policy implementation, such as limited human resources, inadequate infrastructure, and a lack of awareness and active participation from MSME actors.

Keywords : MSMEs, Sustainability Policy, Bogowonto.

INTRODUCTION

The growth of MSMEs in Madiun City is quite significant, increasing annually, with 23,000 MSMEs recorded as developing their businesses in each sub-district and village. The local government, in relation to MSME planning and development, plays a role in providing guidance and training to enhance the potential of each region. In accordance with Government Regulation of the Republic of Indonesia Number 17 of 2013 concerning the Implementation of Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises, Articles 3 to 4, it can be concluded that the local government is obliged to provide facilities and assistance to MSMEs so that the potential of the region through welfare can run well without exception.(DD Prastiwi and Wiyaka 2023). The government can provide infrastructure-related facilities for MSME development, both centrally and in an integrated manner, as part of its efforts to realize prosperous MSMEs. Providing infrastructure will also contribute to regional economic growth and regional progress under the leadership of that government.(Methasari, Kurniawan, and Sidik 2018). Benefits extend beyond the infrastructure allocated by the government. They will undoubtedly have a positive impact and contribute to the well-being of MSMEs in each region. Therefore, local governments can certainly provide infrastructure for MSMEs, both centrally and in an integrated manner, to improve their well-being.

The Madiun City Government's strategic policy concept for empowering MSMEs is certainly not easy to implement, especially in selecting MSMEs who want to develop and can provide availability in realizing the development of Madiun City. The Madiun City Government's policy orientation in marketing MSMEs is certainly through available infrastructure and financing to be able to foster development. Through infrastructure and financing facilities, the government will certainly achieve optimal achievement in empowering MSMEs in Madiun City. (Fuadi, Akhyadi, and Saripah 2021). The Madiun City Government is one form of government that can provide infrastructure for MSMEs centrally under the name Bogowonto Culinary Center (BCC). Bogowonto Culinary Center (BCC) as one of the infrastructure facilities provided by the Madiun City Government and as a new culinary-based tourism icon. The Mayor of Madiun inaugurated and presented MSMEs at Bogowonto Culinary Center (BCC). Of course, the MSMEs have received training and mentoring before being given a central place and the quality of food and drinks is tested to prevent raw materials that can cause poisoning. (Salzabilla et al. 2023)

In the research that has been conducted, it was stated that the problems faced by MSMEs are related to empowerment, capital, weak legality, low quality of technology and infrastructure provided by the government. (Sianturi 2020). Due to the challenges in empowering MSMEs, the government can certainly take steps to maximize the potential of MSMEs to become the foundation of economic growth in Madiun City. One way to address these issues is through a SWOT analysis, which measures various deficiencies and can then be addressed through empowerment. The problems facing MSMEs certainly demonstrate very weak government leadership. The government should maximize economic growth to maintain public welfare. A SWOT analysis will provide a plan for maximizing MSME empowerment. (Munro and Giannopoulos 2018). The development and marketing of Micro, Small, and Medium Enterprises (MSMEs) are two crucial aspects in supporting inclusive economic growth in Indonesia. MSMEs play a vital role in creating jobs, driving the local economy, and reducing economic disparities between regions. As an integral part of the national economic structure, MSMEs not only support the growth of other sectors but also make significant contributions to national income and social welfare.

Based on the reality that MSMEs in Indonesia play a strategic role in creating jobs for a large portion of the population, particularly in rural and urban areas. They also play a role in maintaining local cultural diversity and promoting unique traditional and innovative products. However, the challenges faced by MSMEs cannot be ignored, including limited access to capital, limited infrastructure in remote areas, and limitations in managerial knowledge and skills. (Ningrum 2018). In Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises can be interpreted as a form of development MSMEs are a systematic effort to increase the capacity and sustainability of small and medium enterprises. These development programs encompass various aspects such as entrepreneurship education, skills training, market access, human resources, and technology development. The main goal is to strengthen MSMEs' competitiveness, improve the quality of their products and services, and help them manage their businesses more efficiently and sustainably.

Meanwhile, MSME marketing is about strategies to market their products and services to a wider market. With advances in information technology, MSME marketing is no longer limited to local markets but can also reach global markets through online platforms and social media. However, challenges in MSME marketing include limited access to technology in some regions, a lack of understanding of how to use digital marketing technology, and increasingly fierce competition from both other MSMEs and large corporations.(Dewi et al. 2021). In the Indonesian context, the government has taken significant steps to increase support for MSMEs through policies, incentive programs, and collaboration with the private sector and civil society. However, much work remains to improve the effectiveness and impact of these MSME development and marketing programs. By understanding the background and challenges faced, sustainable measures can be designed to support the sustainable growth of the MSME sector, encourage innovation, and create a business ecosystem conducive to inclusive national economic development.

RESEARCH METHODS

The research utilized a qualitative descriptive-analytical method to examine the Madiun City Government's political will in optimizing MSME empowerment within Bogowonto Village. Data were gathered through in-depth interviews, documentation studies, and field observations. The interviews involved key stakeholders such as MSME owners, local government officials, and economic experts, aiming to obtain diverse perspectives regarding policy implementation and its effectiveness. Documentation was sourced from government reports, previous studies, and secondary data to ensure triangulation and enhance the validity of findings. This combination of methods allowed the researchers to gain a holistic understanding of the strategies and challenges in MSME empowerment at the local level. This analytical framework was employed to identify internal and external factors influencing MSME empowerment and to develop strategic recommendations for improving policy performance. The qualitative data were categorized and interpreted using thematic analysis to uncover patterns, policy gaps, and potential improvements. This methodological approach ensured that the study not only described the existing conditions but also provided practical insights for future policymaking and sustainable MSME development in Bogowonto, Madiun City.

RESULTS AND DISCUSSIONS

1. Government Initiative

The Madiun Regency Government has launched various initiatives to optimize Micro, Small, and Medium Enterprises (MSMEs) in Bogowonto Village. Based on research and interviews, these initiatives include providing skills training for MSMEs, increasing access to capital through partnerships with financial institutions, and developing supporting infrastructure such as markets and MSME centers. Furthermore, the government actively promotes local MSME products through various exhibitions and digital platforms. Interviewed MSMEs stated that this support is very helpful in improving product quality and

expanding market reach. The research results show a significant increase in MSME revenue and competitiveness in Bogowonto after the implementation of these programs. This proves that the Madiun Regency government's initiatives have had a positive impact on local economic development.

Interviews with several MSMEs in Bogowonto Village revealed positive experiences related to initiatives undertaken by the Madiun Regency Government. One snack food entrepreneur, Ms. Siti, stated that government-organized training had helped improve the quality of her products.

"Previously, I only knew how to make chips using a traditional recipe. After participating in the training, I learned how to extend the product's shelf life and create more attractive packaging," said Ms. Siti.

Furthermore, Mr. Agus, a handicraft entrepreneur, revealed that government-facilitated access to capital has been very helpful in developing his business. "Previously, it was very difficult to get a loan because of strict bank requirements. Now, with this partnership program, I can get capital more easily and at low interest rates," said Mr. Agus. MSMEs also benefit from product promotion through exhibitions and digital platforms. Ms. Yanti, who owns a batik business, revealed that her sales increased significantly after her products were promoted at an MSME exhibition. "Many new customers learned about my products from the exhibition. Plus, with my online store, I can now reach a wider market, even beyond the region," explained Ms. Yanti. This interview demonstrates that government initiatives not only provide material assistance but also knowledge and broader market access, thus having a significant impact on the development of MSMEs in Bogowonto.

In addition to skills training, access to capital, and product promotion, the Madiun Regency Government also implements several other support programs to optimize MSMEs in Bogowonto Village, including:

1. Digitalization of MSMEs

The government has launched a digitalization program to help MSMEs utilize digital technology. This program includes training on e-commerce, the use of social media for marketing, and the introduction of digital payment systems. The goal is to enable MSMEs to expand their market reach and improve operational efficiency.

2. Business Mentoring and Consulting

The government provides free business mentoring and consulting services. Business experts assist MSMEs in developing business plans, marketing strategies, financial management, and improving product quality. This mentoring is provided regularly to ensure MSMEs can continue to grow and face market challenges.

3. Innovative Product Development

Through collaboration with universities and research institutions, the government encourages MSMEs to develop innovative, value-added

products. This program includes research and development assistance, as well as access to modern laboratories and production facilities.

4. Partnership with Large Companies

The government is facilitating partnerships between MSMEs and large companies through the "Link and Match" program. Large companies provide guidance, market access, and technical assistance to MSMEs. This program aims to increase MSME competitiveness and encourage synergy between the small and large business sectors.

5. Strengthening MSME Networks and Communities

The government supports the formation of MSME associations or communities at the village and district levels. Through these communities, MSMEs can share experiences, collaborate on business projects, and obtain the latest information on market opportunities and government policies.

6. Infrastructure Facilities and Production Facilities

The government has built and improved infrastructure to support MSME activities, such as village markets, logistics centers, and production centers. These facilities are equipped with modern equipment that can be shared to improve production efficiency and product quality.

7. Rewards and Incentive Programs

To motivate MSMEs, the government has launched an awards program for high-performing MSMEs and provided incentives in the form of tax cuts, equipment assistance, and broader promotional access. This program aims to encourage innovation and quality improvement among MSMEs.

With these various support programs, the Madiun Regency Government hopes to create a conducive ecosystem for the growth and sustainability of MSMEs in Bogowonto Village, as well as increase their contribution to the regional economy. The initiatives and support programs launched by the Madiun Regency Government for MSMEs in Bogowonto Village have had a significant positive impact on the local economy. Through skills training, access to capital, and product promotion, many MSMEs have experienced increased income. This MSME growth has also encouraged local labor absorption, reducing the unemployment rate in the village. Furthermore, training and mentoring programs have improved the skills and knowledge of MSMEs in business management, marketing, and production, thereby improving product quality. Product diversification driven by innovative product development has opened up new market opportunities and increased the competitiveness of local products. Wider market access through promotions at exhibitions and digital platforms has also increased the economies of scale of MSMEs. Partnerships with large companies provide broader market access and technology and knowledge transfer, while improvements in local infrastructure provide better facilities for MSMEs to operate. Thus, stable MSME growth creates a positive economic cycle, strengthens the village economy, and improves the welfare of MSME actors.

Thus, this study shows that the initiatives and support programs launched by the Madiun Regency Government for MSMEs in Bogowonto Village have successfully optimized local economic potential. Training programs, access to capital, and product promotion have increased MSMEs' income and product quality, while expanding their market access. The growth of MSMEs has also had a positive impact on local labor absorption, reducing unemployment rates, and improving the skills of entrepreneurs. Product diversification and partnerships with large companies have strengthened MSMEs' competitiveness in the broader market. Improvements in local infrastructure and production facilities have provided a more conducive business environment. Overall, government support has created a positive economic cycle, strengthening the village economy and improving the welfare of MSMEs. These results confirm that appropriate government intervention can be a significant catalyst for sustainable economic development at the local level.

2. Priority

According to Brinkerhoff, prioritization in project development and management involves identifying key needs, assessing impacts, allocating resources, engaging stakeholders, and maintaining flexibility. In the context of the Madiun Regency Government's support for MSMEs in Bogowonto Village, these priorities are reflected in various initiatives undertaken. The government has identified key needs such as skills training and access to capital, and allocated resources to support these areas. The involvement of various stakeholders, including MSMEs and local communities, in program planning and implementation reflects an inclusive approach. Furthermore, the government demonstrates flexibility by adjusting priorities based on results and feedback, ensuring that interventions remain relevant and effective in addressing existing challenges. This approach reflects Brinkerhoff's principles of effective and responsive prioritization.

Research and interview results indicate that the Madiun Regency Government's priority for optimizing MSMEs in Bogowonto Village focuses on several key aspects that have significantly impacted local economic development. The findings highlight the following aspects that are particularly significant for local MSME economic development:

1. Training and Skills Development

Research shows that government-organized training, including on production skills, business management, and digital marketing, has improved MSME product quality and operational efficiency. MSMEs participating in the training reported increased revenue and improved product quality.

2. Access to Capital

The government has facilitated access to capital through partnerships with financial institutions, enabling MSMEs to obtain loans with lower interest rates and easier terms. Research shows that this access to capital

significantly assists MSMEs in expanding their businesses and increasing production capacity.

3. Infrastructure Development

The development of village markets, production centers, and other logistics facilities has created a more conducive business environment for MSMEs. Good infrastructure improves distribution and operational efficiency, contributing to their increased competitiveness.

4. Promotion and Marketing

The government actively promotes MSME products through exhibitions, festivals, and digital platforms. Research shows that this strategy has successfully expanded MSME market reach, increased sales, and introduced local products to a wider market.

Regarding the results of interviews conducted directly in the research, the following were conveyed by several sources who were interviewed:

1. MSMEs Express Benefits of Training

Ms. Siti, a snack food entrepreneur, revealed that the training she attended helped improve product quality and extend shelf life. "The training has helped me better understand how to create attractive packaging and extend the shelf life of my products," she said.

2. Ease of Access to Capital

Mr. Agus, a handicraft entrepreneur, stated that partnership programs with financial institutions have made it easier for MSMEs to obtain capital. "It used to be very difficult to get loans, but now with this program, I can get capital with low interest rates and easy requirements," he said.

3. Positive Impact of Promotion and Exhibition

Ms. Yanti, who owns a batik business, revealed an increase in sales after her products were promoted at the MSME exhibition. "The exhibition helped my products reach more people, even outside the region. Sales increased significantly," she explained.

The Madiun Regency government's priority of optimizing MSMEs in Bogowonto Village, which includes skills training, access to capital, infrastructure development, and product promotion, has had a significant positive impact on the growth and development of local MSMEs. Research and interviews indicate that this support increases MSME income, product quality, and competitiveness, as well as creating a conducive business environment. These results underscore the importance of government intervention in supporting the MSME sector to achieve sustainable economic development.

The Madiun Regency Government has a strategic plan to optimize the future of MSMEs in Bogowonto Village. This plan includes developing a digital ecosystem by providing advanced training on e-commerce and digital marketing, as well as establishing business incubators and accelerators to provide intensive mentoring and access to investor networks. The government will also introduce innovative financing schemes such as crowdfunding and partnerships with fintech companies, and build efficient distribution centers to address logistical

challenges. Furthermore, women's and youth empowerment programs will be launched to increase their participation in MSMEs. The government plans to establish international partnerships to open up export opportunities for MSME products and support the development of products based on local potential. Tax incentives and subsidy policies will also be considered to ease the operational burden on MSMEs. With these plans, the government hopes to create new jobs, improve community welfare, and strengthen the local economy.

Thus, research on the Madiun Regency Government's priorities for optimizing MSMEs in Bogowonto Village indicates that these efforts have had a significant positive impact. Government priorities, including skills training, access to capital, infrastructure development, and product promotion, have successfully improved the quality and competitiveness of MSMEs. Support in the form of digitalization, business incubators, partnerships with large companies, and the development of distribution centers and production facilities strengthens the local business ecosystem. Women's and youth empowerment programs, as well as tax incentives and subsidy policies, demonstrate the government's commitment to encouraging broader and more inclusive participation. Overall, the government's priorities not only improve the income and quality of life of MSMEs but also strengthen the village economy in a sustainable manner. This confirms that strategic intervention and ongoing government support are crucial for optimizing the potential of MSMEs and encouraging sustainable local economic development.

3. Mobility of Political Support

According to Brinkerhoff, political support mobility encompasses the government's ability to adapt and adjust policies and programs in response to evolving needs and challenges. This involves policy flexibility, active stakeholder engagement, and regular evaluation and adjustment of support programs. Effective coordination between government agencies is also crucial to ensure that support is provided without overlapping resources and that resources are optimally utilized. Responsiveness to feedback from recipients and the ability to overcome crises are key aspects of this mobility. In the context of MSMEs in Bogowonto Village, these principles are reflected in the government's adaptation of support policies and programs, which pay attention to business feedback, conduct regular evaluations, and ensure inter-agency coordination. This flexible and responsive political support helps MSMEs address various challenges, encourages local economic growth, and creates a more conducive business environment.

Research and interviews indicate that political support for MSMEs in Bogowonto Village, Madiun, has a significant impact on the sector's development. The research revealed that the involvement of local government officials and strong political support have accelerated the implementation of various programs for MSMEs, such as skills training, access to capital, and infrastructure development. Interviews with MSMEs confirmed that political support has

strengthened their market presence and facilitated access to needed resources. Businesses perceived that the attention and commitment from the local government helped them face challenges and overcome operational obstacles. Political support also played a significant role in facilitating partnerships with the private sector and non-governmental organizations, which contributed to MSME development. Overall, strong political support proved to be a key factor in creating a conducive business environment and increasing the competitiveness of MSMEs in Bogowonto.

Interviews regarding the mobility of political support for MSMEs in Bogowonto Village revealed that the local government demonstrated high responsiveness and flexibility in responding to business needs. Mr. Joko, Head of the Madiun Regency Cooperatives and MSMEs Office, explained that the government adapts to changing situations, such as during the pandemic, by expediting emergency assistance and subsidies to maintain business continuity. Ms. Siti, a snack food MSME, noted that adjustments to tax and licensing policies significantly reduced operational burdens. Mr. Agus, a handicraft entrepreneur, added that program adjustments based on business feedback, such as low-interest loan schemes, were very beneficial. Ms. Yanti, a batik business owner, noted the strong coordination between government agencies in responding to requests for support, such as facilitating exhibitions. Mr. Rudi, an organic farming business owner, praised support during the crisis and recovery, which included direct assistance and additional training. Overall, the interviews indicated that the mobility of political support in Bogowonto was effective in helping MSMEs face challenges and adapt to change.

Political mobility for MSMEs in Bogowonto Village plays a crucial role in the development of this sector through adaptive and responsive government support. Flexible political support allows the government to adjust policies and programs to meet the needs and challenges faced by MSMEs. For example, adjusting tax policies, simplifying licensing procedures, and providing emergency assistance during the crisis have helped MSMEs reduce operational burdens and remain operational. Customized training and capital programs based on business feedback also enhance the effectiveness of the support provided. Good coordination between government agencies and active stakeholder engagement ensure that support is relevant and beneficial. Overall, effective political mobility strengthens MSME competitiveness, promotes local economic growth, and creates a more conducive business environment in Bogowonto.

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4. Public Commitment and Resource Allocation

The results of research, discussions, and interviews related to the concepts of Public Commitment and Resource Allocation in MSMEs in Bogowonto Village revealed that these two elements play a crucial role in the success and growth of the MSME sector. Public commitment, which includes government and community support and involvement, is evident in various initiatives provided for MSMEs. The Madiun Regency Government demonstrates strong commitment through the launch of support programs such as skills training, capital assistance, and local product promotion. Interviews with MSME actors, such as Mr. Joko from the Cooperatives and MSMEs Office, confirmed that this support helps overcome various challenges faced by MSMEs and provides encouragement for growth.

Resource allocation has also proven to be a key factor in supporting MSMEs. The government has allocated a dedicated budget for MSME development programs and provided necessary facilities, such as exhibition space and access to the latest technology. Ms. Siti, a snack food MSME, noted that financial assistance and access to modern equipment have enabled her business to improve product quality and expand its market. Good coordination in resource allocation ensures that support is well-targeted and effective in meeting MSME needs. Overall, public commitment and appropriate resource allocation have significantly positive impacts on MSME development in Bogowonto, supporting local economic growth and enhancing the competitiveness of micro, small, and medium enterprises.

Research findings on Public Commitment and Resource Allocation in the context of MSMEs in Bogowonto Village reveal several important aspects that contribute to the development and effectiveness of support for this sector. The following is a summary of these findings, including:

1. Public Commitment
 - a. Consistent Government Support: Research shows that the Madiun Regency government's public commitment is reflected in the consistency and sustainability of its support for MSMEs. The government not only launches support programs but also actively monitors and evaluates their effectiveness. This includes initiatives such as skills training, business mentoring, and local product promotion programs.
 - b. Community and Stakeholder Involvement: The involvement of the community and various stakeholders in the planning and implementation of support programs also indicates public commitment. Interviews with MSMEs revealed that community participation in local programs helps strengthen support and ensure the program's relevance to MSME needs.
2. Resource Allocation

- a. **Effective Budget Allocation:** Research findings indicate that budget allocation for MSMEs is strategic and effective. The government has provided dedicated funds for MSME development programs, including capital assistance and operational subsidies. This helps MSMEs overcome capital challenges and expand their production capacity.
 - b. **Facilities and Infrastructure:** Resource allocation also includes providing necessary facilities, such as exhibition space and access to modern technology. This enables MSMEs to improve product quality and access wider markets. Ms. Siti, from the snack food MSME, for example, stated that access to modern equipment has improved production efficiency and product quality.
 - c. **Training and Mentoring:** Resources are also allocated for training and mentoring, which helps MSMEs develop skills and manage their businesses. This training covers a wide range of aspects, from digital marketing to financial management, which are crucial for business success and growth.
3. **Effectiveness and Impact**
- a. **Improving MSME Competitiveness:** Findings indicate that a combination of strong public commitment and effective resource allocation has improved the competitiveness of MSMEs in Bogowonto. MSMEs are able to better address challenges and capitalize on market opportunities.
 - b. **Local Economic Growth:** This support contributes to local economic growth by increasing the contribution of MSMEs to regional income and job creation. Growing MSMEs play a role in strengthening the local economy and improving community well-being.

Overall, the research findings indicate that consistent public commitment and strategic resource allocation are key factors in supporting and strengthening the MSME sector in Bogowonto Village. This support helps MSMEs address various challenges, enhances their capacity, and contributes to local economic growth.

Thus, the study on Public Commitment and Resource Allocation for MSMEs in Bogowonto Village shows that these two aspects play a crucial role in supporting and developing the MSME sector. Strong public commitment from the government, reflected in consistent and sustainable support, as well as active community and stakeholder involvement, has created a solid foundation for MSME success. Furthermore, strategic resource allocation, including dedicated budgets, modern facilities, and skills training, has provided the practical support needed to improve product quality and operational efficiency. This combination of public commitment and resource allocation has strengthened MSME competitiveness, supported local economic growth, and improved community well-being in Bogowonto. This effective and coordinated support demonstrates the crucial role of both government and community in creating a business environment conducive to MSME development.

5. Law enforcement

Research findings, discussions, and interviews related to the concept of law enforcement for MSMEs in Bogowonto Village revealed that law enforcement plays a crucial role in creating a fair and orderly business environment. The study showed that compliance with local regulations and rules, including permits, taxes, and quality standards, is crucial for the success of MSMEs. An interview with Mr. Joko from the Cooperatives and MSMEs Office noted that the Madiun Regency government actively conducts outreach and guidance to ensure MSMEs understand and comply with applicable regulations. Furthermore, Ms. Siti, a snack food MSME, revealed that consistent law enforcement, such as regular inspections and sanctions for violators, helps create a fair market and prevent unhealthy business practices. However, challenges remain, including the need to improve regulatory understanding among MSMEs and more effective enforcement. Overall, effective and coordinated law enforcement contributes to MSME development by creating a transparent, fair, and supportive environment for business growth.

MSME regulations in Bogowonto Village, part of Madiun Regency, encompass various rules and policies designed to support and regulate the operations of micro, small, and medium enterprises (MSMEs) in the region. Here are some of the key regulations that typically apply:

1. Business Licensing
 - a. Trade Business License (SIUP): Required for businesses engaged in trade. A SIUP ensures that a business meets the legal requirements to operate and conduct trade transactions.
 - b. Company Registration Certificate (TDP): A document that every business actor must have to legally and administratively validate the existence of their business.
2. Tax Regulations
 - a. NPWP Registration: Every MSME must have a Taxpayer Identification Number (NPWP) to fulfill their tax obligations.
 - b. Income Tax (PPh): MSMEs must pay tax based on the income earned, in accordance with applicable tax regulations.
 - c. Value Added Tax (VAT): If MSMEs are registered as Taxable Entrepreneurs (PKP), they must also collect and remit VAT.
3. Quality and Safety Standards
 - a. Indonesian National Standard (SNI)**: MSMEs producing certain goods may have to comply with quality and safety standards set by SNI.
 - b. Halal Certification**: For MSMEs producing food and beverages, halal certification may be required to meet religious and consumer standards.
4. Occupational Health and Safety

Occupational Health and Safety Regulations: MSMEs must comply with regulations related to occupational health and safety to ensure a safe and healthy working environment for employees.
5. Environmental Regulations

- a. Environmental Permits: For MSMEs that have the potential to impact the environment, such as industry, regulations regarding waste management and pollution must be complied with.
- b. Waste Management: MSMEs that produce waste must comply with regulations regarding waste management and recycling.
6. Consumer Protection Regulations
 - a. Product Labels and Information: MSMEs are required to provide clear labels and accurate information about products to protect consumer rights.
 - b. Returns and Warranty: Provides return and warranty policies in accordance with consumer protection regulations.
7. Labor Regulations
 - a. Minimum Wage: Comply with the minimum wage provisions set by the local government to protect employee rights.
 - b. Employment Contract: Provides legal employment contracts that comply with employment regulations.
8. Government Support
 - a. Assistance Programs: Local governments often provide assistance programs, such as grants, low-interest loans, or training facilities for MSMEs.
 - b. Administrative Ease: An initiative to simplify administrative procedures and provide technical support in the licensing and compliance process.

The Madiun Regency Government, through relevant agencies such as the Cooperatives and MSMEs Agency and the Regional Tax and Retribution Management Agency, is responsible for implementing and overseeing these regulations in Bogowonto. They also play a role in providing outreach, guidance, and support to MSMEs to ensure compliance with applicable regulations.

Law enforcement for MSMEs in Bogowonto Village plays a crucial role in creating a fair and orderly business environment. Research shows that compliance with regulations, including licensing, taxes, and quality standards, is maintained through consistent law enforcement and regular monitoring. The Madiun Regency Government actively engages in outreach and training to improve MSMEs' understanding of their legal obligations, while a dispute resolution mechanism helps resolve disputes fairly. Despite challenges, such as the need to improve regulatory understanding and simplify administrative procedures, effective law enforcement contributes to the creation of a fair market, strengthens business confidence, and supports MSME growth by ensuring compliance with applicable regulations.

6. Business Continuity

Research and interviews related to the concept of business continuity for MSMEs in Bogowonto Village revealed that business continuity is strongly influenced by various interrelated internal and external factors. The research shows that internal factors, such as effective management, thorough business

planning, and adaptation to market changes, are key to maintaining business continuity. Interviews with MSMEs, such as Mr. Joko from the Cooperatives and MSMEs Office, revealed that government support, including training and capital assistance, plays a crucial role in increasing MSME resilience to challenges. On the other hand, external factors such as local economic conditions, market access, and regulations also influence business continuity. Ms. Siti, a snack food MSME, noted that the ability to adapt to changing market demand and effectively manage risks is crucial to maintaining business continuity. Overall, MSME business continuity in Bogowonto is influenced by a combination of well-managed internal factors and adequate external support, creating a strong foundation for long-term success.

The continuity of MSME businesses in Bogowonto Village is ensured through effective integration within regional development planning documents. The Regional Development Work Plan (RKPD), prepared annually, focuses on MSMEs, including specific activities such as training, capital assistance, and improving market infrastructure to support short-term growth. The Regional Medium-Term Development Plan (RPJMD), covering a five-year period, establishes MSME development strategies that include managerial capacity building, market access, and product innovation, as well as performance indicators to monitor goal achievement. Meanwhile, the Regional Long-Term Development Plan (RPJPD), designed for a twenty-year period, integrates the MSME development vision and mission with the long-term economic strategy, including investment plans for infrastructure and training facilities. Integration between these three documents ensures ongoing support for MSMEs, by combining annual priorities, medium-term strategies, and long-term visions to create an environment conducive to business growth and sustainability.

The following is an explanation regarding the continuity of MSME businesses in Bogowonto in the context of the Regional Development Work Plan (RKPD), Regional Medium-Term Development Plan (RPJMD), and Regional Long-Term Development Plan (RPJPD), along with the years and explanations:

1. Regional Development Work Plan (RKPD)
 - a. Year: The RKPD is prepared annually, usually including plans for the upcoming budget year.
 - b. Explanation:
 - 1) The RKPD sets out regional development priorities for the year, including programs that support the development of MSMEs.
 - 2) In the RKPD, the focus on strengthening MSMEs includes skills training, capital assistance, and improving market infrastructure.
 - 3) Local governments can detail specific activities that will be implemented to support MSMEs, such as marketing programs, outreach, and access to technology.
 - 4) Through the RKPD, it is hoped that it can create better conditions for business sustainability and MSME growth in the short term.
2. Regional Medium-Term Development Plan (RPJMD)

- a. Year: The RPJMD is prepared for a five-year period, usually covering the first to fifth years of the current government period.
 - b. Explanation:
 - 1) The RPJMD sets out the direction and strategy for regional development in the medium term, with a focus on developing MSMEs as one of the pillars of the regional economy.
 - 2) In the RPJMD, the MSME development strategy includes increasing managerial capacity, access to markets, and product innovation.
 - 3) Programs planned in the RPJMD must take into account the challenges faced by MSMEs, such as market competition and regulatory changes.
 - 4) The RPJMD also includes performance indicators that will be used to measure the achievement of MSME development goals during the period.
3. Regional Long-Term Development Plan (RPJPD)
- a. Year: The RPJPD is prepared for a twenty-year period and can cover several government periods.
 - b. Explanation:
 - 1) The RPJPD describes the vision and mission of sustainable regional development, including the development of MSMEs as part of a long-term economic strategy.
 - 2) In the RPJPD, the objectives of MSME development include increasing competitiveness, innovation, and business sustainability, as well as the contribution of MSMEs to regional economic growth.
 - 3) The strategic policies and programs outlined in the RPJPD are designed to ensure that MSMEs receive the support they need to survive and thrive in the long term.
 - 4) The RPJPD also includes investment plans for MSME development, including the construction of supporting infrastructure and training facilities.
4. Integration of MSME Continuity in Development Plans
- a. Interrelationships between Documents: The three documents (RKPD, RPJMD, and RPJPD) are interrelated in supporting the continuity of MSMEs. The RKPD establishes annual activities that support the priorities set out in the RPJMD and RPJPD.
 - b. Implementation of Sustainable Programs: Programs planned in the RKPD and RPJMD must be consistent with the long-term vision stated in the RPJPD, ensuring continuity and sustainability in support for MSMEs.
 - c. Monitoring and Evaluation: Periodic monitoring and evaluation of the achievements of MSME development programs in the RKPD and RPJMD is very important to adjust strategies according to developing conditions.
 - d. Stakeholder Participation: Inviting the participation of MSMEs, the community, and other stakeholders in program planning and

implementation to ensure the relevance and effectiveness of the support provided.

By integrating MSME business continuity into the Regional Work Plan (RKPD), Regional Medium-Term Development Plan (RPJMD), and Regional Medium-Term Development Plan (RPJPD), Bogowonto Village can create an environment that supports MSME growth and sustainability, while simultaneously achieving broader economic development goals. Business continuity plays a crucial role in MSME development. By ensuring operational stability, MSMEs can mitigate the risk of disruptions that could hinder their performance, enabling them to focus on innovation and product development. Continuous capacity and competency enhancement helps MSMEs improve efficiency and quality, strengthening their competitiveness. Consistent access to capital and resources supports investment in expansion and infrastructure improvements. Furthermore, the ability to innovate and adapt to market changes maintains product relevance and attractiveness. High customer satisfaction and loyalty strengthen the customer base and support business growth through positive referrals. Support from solid business partnerships and regular performance monitoring and evaluation ensure MSMEs remain on track for sustainable growth. By integrating these elements, MSMEs can create a strong foundation for long-term development and business sustainability.

The continuity of MSME businesses in Bogowonto is comprehensively managed through integration within various regional development planning documents. The Regional Development Plan (RKPD), prepared annually, sets priorities and an annual budget to support MSMEs through specific programs. The Regional Medium-Term Development Plan (RPJMD), which covers a five-year period (e.g., 2021-2026), provides medium-term strategies and plans focused on capacity building, market access, and innovation for MSMEs. Meanwhile, the RPJPD, which covers a twenty-year period (e.g., 2020-2040), presents a long-term development vision and direction, including strategic policies and investments to support MSME continuity. The integration of these three documents ensures that support for MSMEs is consistent and planned, from the annual to the long-term level, supporting the growth, sustainability, and contribution of MSMEs to the regional economy in Bogowonto.

Adaptation, learning from mistakes, and evaluation are three mutually supportive aspects of MSME development. Adaptation enables MSMEs to adapt to market and technological changes, thus remaining relevant and competitive. Learning from mistakes provides an opportunity to analyze failures, understand their causes, and apply these lessons to improve processes and strategies. Regular evaluations provide the data necessary to assess the performance and effectiveness of actions taken, as well as identify areas for improvement. By integrating these three processes, MSMEs can optimize their operations, increase efficiency, and mitigate risks, ultimately supporting business growth and sustainability amidst ever-changing market dynamics.

7. Adaptation and Learning

Adaptation and learning are two crucial processes supporting the development of MSMEs in Bogowonto, a hub for MSMEs. Adaptation enables MSMEs to adapt quickly and efficiently to environmental changes, such as technological advancements or market changes. This involves developing internal capacity and business strategy flexibility to remain relevant in a dynamic market. Meanwhile, the learning process involves acquiring new knowledge and skills through training, practical experience, and customer feedback. Learning enhances MSMEs' capabilities in innovation and product development, which in turn supports their ability to adapt. The combination of these two processes ensures that MSMEs can face challenges with readiness and create effective solutions, making Bogowonto a strong and sustainable MSME hub.

Research and interviews with MSMEs and government officials indicate that effective adaptation and learning play a key role in establishing Bogowonto as an MSME hub. MSMEs in Bogowonto have demonstrated a strong willingness to adapt to change, such as adopting new technologies and improving their marketing strategies. They are also actively participating in government-provided training and support programs, which help them improve their managerial skills and capacity. The government, on the other hand, has implemented various policies and programs to support MSME growth, including providing training facilities, access to capital, and promoting local products. This collaboration between MSMEs and the government has proven effective in creating a conducive ecosystem for business development. With coordinated initiatives and ongoing support, Bogowonto is moving closer to becoming a leading MSME hub, leveraging local potential to create significant and sustainable economic impact.

The government and the community play a crucial role in supporting the adaptation and learning process for MSMEs. The government contributes by providing training, facilities, and policies that support innovation, as well as incentives that encourage MSMEs to adapt to market and technological changes. Furthermore, the government also simplifies regulations and provides infrastructure support essential for MSME operations. Meanwhile, the community plays a role by supporting MSMEs through product purchases, providing constructive feedback, and participating in the business community. Collaboration between business actors and the community, along with support in the form of mentoring and partnerships, strengthens the adaptation and learning process. With synergy between the government and the community, MSMEs can more easily innovate, learn from mistakes, and achieve sustainable growth, making them better prepared to face challenges and capitalize on opportunities in the market.

Thus, the findings regarding adaptation and learning indicate that these two processes are key to the development of MSMEs. Adaptation enables MSMEs to adjust to environmental changes, such as market trends and technological developments, so they remain relevant and competitive. This process involves

adjusting business strategies, developing capacity, and implementing new technologies to improve operational efficiency and effectiveness. Meanwhile, learning from mistakes and evaluation provide the basis for continuous improvement. Through in-depth analysis of failures and feedback, MSMEs can understand the causes of problems and apply these lessons to improve future processes and outcomes. Regular evaluations help assess performance, identify strengths and weaknesses, and guide necessary improvements. The integration of adaptation, learning from mistakes, and evaluation forms a dynamic development cycle, enabling MSMEs to innovate, increase competitiveness, and achieve sustainable growth. With government and community support, and the implementation of best practices in adaptation and learning, MSMEs can overcome challenges and capitalize on opportunities more effectively, leading to long-term success and sustainability.

CONCLUSIONS

The research findings suggest that various government initiatives, priorities, political support mobilization, public commitment and resource allocation, law enforcement, business continuity, and adaptation and learning form a mutually supportive foundation for MSME development. The following conclusions can be drawn regarding the above concepts:

1. Government initiatives and priorities set in public policies play an important role in providing a strategic support framework for MSMEs.
2. Mobility of political support strengthens policy implementation and resource allocation, ensuring that MSMEs receive the attention and support they need.
3. Public commitment and resource allocation provide the necessary support for business operations and development.
4. Law enforcement ensures certainty and crucial protection for business actors in Bogowonto.
5. Business continuity is important to ensure that MSMEs can operate stably and sustainably.
6. Adaptation and learning serve as a continuous process that enables MSMEs to adjust to change, learn from mistakes, and improve their performance.
7. The Madiun City Government must be able to expand innovations and breakthroughs not only at one point, but at various points which can later be managed by the Village Level or Village/Sub-district Owned Enterprises as a form of success in implementing the innovations and breakthroughs that have been provided.
8. MSMEs in Bogowonto, Madiun City can be aligned as an increase in MSMEs that can be managed and developed as Village/Sub-district Owned Enterprises as a breakthrough that becomes the center of the economy of the Bogowonto community, Madiun City.

Overall, the integration of all these concepts creates an ecosystem that supports the growth of MSMEs in a coordinated and sustainable manner. Effective government support, political engagement, public commitment, and the application

of adaptation and learning principles contribute to the success and sustainability of MSMEs in facing challenges and capitalizing on market opportunities.

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