

Optimization of Development Funds to Achieve Dynamic Sustainable SME's

¹Feni Astuti

¹UIN Sunan Gunung Djati Bandung, Indonesia; feniastuti@uinsgd.ac.id

Received: January 13, 2023; In Revised: February 15, 2023; Accepted: March 11, 2023

Abstract

Micro, Small and Medium Enterprises (MSMEs) are the community-based business sector that has a strategic role in the economy and has a positive effect on social impacts through creating jobs and improving people's lives. With a total of 6,140 MSME players registered in 2020, Bandung City is one of the regions in West Java Province that is participating in developing this business sector. This is supported by the availability of the MSMEs Development Fund to create sustainable MSMEs in the city of Bandung. In realizing dynamic sustainable micro, small, medium enterprises in Bandung, the government, in this case the Office of Cooperatives, Micro, Small and Medium Enterprises, needs to use the existing budget optimally. This study aims to find out how to optimize the MSME Development Fund in the context of dynamic sustainable micro, small, medium enterprises in the Cooperative Office, Micro, Small, and Medium Enterprises in Bandung City. The research method used is a descriptive study with a qualitative approach. While the data collection technique is done through structured interview, observation, documentation, and literature study. Data analysis techniques are performed, namely data reduction, data display, and conclusion drawing, which is then tested for validity using data triangulation. The results showed that the development of MSMEs carried out by the Department of Cooperatives, Micro, Small and Medium Enterprises has not yet reached a sustainable stage. This is because there are two dimensions of dynamic sustainable micro, small, medium enterprises that have not been fulfilled.

Keywords: Fund Optimalization, Dynamic, Sustainable SME's, Public Finance

Introduction

Micro, Small, and Medium Enterprises (MSMEs) are one of the economic sectors that strategically develop the national and regional economy. In Indonesia, developing the MSME sector is one of the main priorities to help boost the national economy (GDP). MSMEs can answer problems related to income inequality and poverty in society. MSMEs are also the place where various innovations start and play a role in increasing income distribution (Anshor, 2022; Hanif Ismail et al., 2022; Jasuni et al., 2018). The MSME sector also contributes to employment absorption in Indonesia. The fact that the performance of MSMEs proves the role of MSMEs as the most significant part of all national business units is a concrete manifestation of the economic life of the Indonesian people. This MSME sector is hoped to reduce the poverty rate in Indonesia (Datupalinge et al., 2022; Herdinata; Pranatasari, 2019; Laily ; Kurniawan, n.d.; Sujayal; Aprillia, 2022).

This is in line with what was stated by Czarniewski in (Harman et al., 2015), which assesses that SMEs have not only had a positive effect on GDP growth but have also strengthened the social impact that has arisen through job creation, and the resulting increase at the educational level, as well as in improving the quality of human resources. Rachmawan Budiarto, in his book, states that MSMEs have a strategic role in increasing labor absorption, equal income distribution, and national economic growth with national added value. One of the most significant indicators is to increase non-oil and gas exports (Budiarto, 2019). In addition, in his research, Laily (2016) stated that the presence of MSMEs could improve the economy

and create new businesses. Hence, developing MSMEs is essential further to increase the Gross Regional Domestic Product (GRDP) (Budiarto, 2019; Laily & Kurniawan, n.d.).

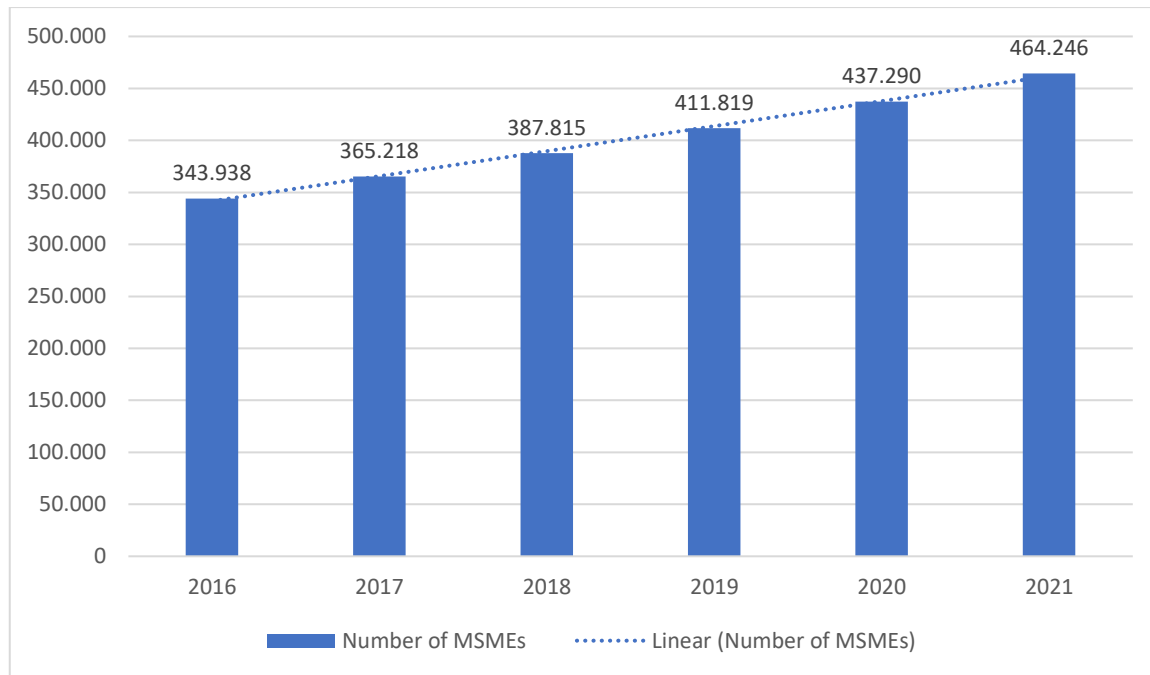
At the national level, the government has issued various policies to support the development of MSMEs in Indonesia. One is the policy of reducing the Final Income Tax (PPh) rate for Micro, Small, and Medium Enterprises (MSMEs) from 1% to 0.5%. This policy is contained in Government Regulation (PP) Number 23 of 2018 concerning Income Tax on Income from Business Received or Earned by Taxpayers with Certain Gross Turnover, a substitute for Government Regulation (PP) Number 47 of 2013. The issuance of this policy certainly has a significant impact on MSME actors, namely providing relief from operational costs in the business they are doing (Marzuki et al., 2023; Nasir, 2017; S & Prajawati, 2020; Supriatna et al., 2023; Umkm et al., 2021).

At the regional level, West Java Province is one of the provinces participating in developing the MSME sector. Through government programs such as Champion UMKM, UMKM Upgrade Class, and One Islamic Boarding School One Product (OPOP), the Provincial Government of West Java has contributed to the development of UMKM in Indonesia. Bandung is one of the areas in West Java Province with a total of 6,140 MSME actors (registered) until 2020. The development and guidance of the MSME sector in Bandung City are carried out by the Office of Cooperatives and Micro, Small, and Medium Enterprises based on Regional Regulation of West Java Province Number 9 of 2017 concerning the Implementation of Regional Government Affairs of West Java Province, which is an elaboration of Government Regulation Number 38 of 2007 concerning Distribution of Government Affairs, Provincial Governments, and Regency/City Regional Governments (Fauzi, 2020; Jasuni et al., 2018; Laily & Kurniawan, n.d.; Yudan Gumilar & Fitria, 2019).

Following the authority, the affairs that must be carried out have been regulated, namely, mandatory affairs in the Field of Cooperatives and Micro, Small, and Medium Enterprises. The Office of Cooperatives and Micro, Small, and Medium Enterprises is one of the regional apparatuses within the Bandung City Government, which carries out government affairs in the fields of Cooperatives, Micro, Small, and Medium Enterprises. The development of the Office of Cooperatives and Micro, Small, and Medium Enterprises in the City of Bandung is based on Regional Regulation of the City of Bandung Number 8 of 2016 concerning the Formation and Composition of Regional Apparatuses of the City of Bandung, Regulation of the Mayor of Bandung Number 1394 of 2016 concerning Position, Organizational Structure, Duties and Functions and The Work Procedure of the Office of Cooperatives and Micro, Small and Medium Enterprises in the City of Bandung, as well as the Mayor of Bandung Regulation Number 160 of 2017 concerning the Formation, Position, Duties, Organizational Structure and Work Procedures of the Technical Implementation Unit in Services and Agencies within the Bandung City Government (Ali Rozai et al., 2015; Datupalinge et al., 2022; Sujayal; Aprillia, 2022).

Micro, Small, and Medium Enterprises in the City of Bandung have increased every year. The following is a development of the number of Micro, Small, and Medium Enterprises registered at the Office of Cooperatives, Micro, Small, and Medium Enterprises in the City of Bandung from 2018 – 2020.

Figure 1.
Number of New MSMEs Registered at the Office of Cooperatives and Micro, Small, and Medium Enterprises in the City of Bandung in 2018-2020



Source: Office of Cooperatives and SMEs (2020)

The graph shows that the number of MSMEs in Bandung continues to grow yearly. This is shown by a graph showing a positive trend in the form of an increase in the number of MSME actors over the last 6 years. In addition, the number of MSMEs that have increased is also relatively stable. This shows an indication that there is the high public interest in the MSME business sector, especially in the city of Bandung.

The high interest of the people of Bandung City in the MSME sector needs to be supported by the availability of facilities that can be used by MSME actors, such as access to capital, marketing, and various other facilities that MSME actors can use to develop their products. So to support the development of these MSMEs, the Provincial Government allocated funds to support MSME development programs in the city of Bandung. The following is the amount of UMKM Development Funds in the City of Bandung in 2018-2020:

Table 1.
Amount of Bandung MSME Development Fund for the 2018-2020 period

Year	Budget	Realization	Remaining Budget	%
2018	Rp4.802.550.284	Rp4.285.008.211	Rp517.542.073	89,22
2019	Rp470.000.000	Rp424.330.170	Rp45.669.830	90,28
2020	Rp491.010.000	Rp441.928.050	Rp49.081.950	90

Source: Office of Cooperatives and SMEs (2020)

The table is the total budget for the MSME development for the City of Bandung in 2018-2020, sourced from the APBD of the City of Bandung. The Department of Cooperatives uses the budget, Micro, Small, and Medium Enterprises in the City of Bandung for the

Entrepreneurship Development Program and Competitive Advantage for Small and Medium Enterprises. In this program, there are activities to increase the capacity of cooperatives and SMEs in the city of Bandung. The table shows that the amount of the budget received has decreased from the previous year, namely 2018. In addition, the realization of the existing budget is also not optimal, as seen in the percentage of budget realization, which did not reach 100%.

Not only that, but the government has also allocated a budget for the MSME Empowerment Program in the city of Bandung. The following is a table showing the amount of the Bandung MSME Empowerment Program budget for 2018-2020:

Table 2.
Total Budget for the MSME Empowerment Program for the City of Bandung for 2018-2020

Year	Budget	Realization	Remaining Budget	%
2018	Rp3.613.889.885	Rp2.566.984.250	Rp1.046.905.635	71,03
2019	Rp2.868.202.850	Rp2.567.854.806	Rp300.348.044	89,53
2020	Rp525.441.063	Rp516.359.684	Rp9.081.379	98,27

Source: Office of Cooperatives and SMEs (2020)

The table is the budget amount obtained by the Office of Cooperatives, Micro, Small and Medium Enterprises for the MSME Empowerment Program for the City of Bandung originating from the Bandung City APBD funds. This program has several activities, such as Organizing Promotions for MSMEs, Facilitating Intermediation of Access to MSME Financing, and Facilitation Development and Business Partnerships for Micro Enterprises. Based on the table, in terms of relations, the Office of Cooperatives, Micro, Small, and Medium Enterprises has not optimally used the existing budget. Similar to budget realization in the previous program, the percentage of budget realization at the Office of Cooperatives, Micro, Small, and Medium Enterprises, especially for MSME development, has yet to reach 100%.

Furthermore, the Office of Cooperatives, Micro, Small, and Medium Enterprises seeks to form sustainable Bandung City MSMEs. This is realized through development programs provided to MSMEs in Bandung. Budiarto (Budiarto, 2019) states that to build superior and independent MSMEs; there must be continuity in existing programs so that the development of MSMEs can take place continuously and can improve people's lives. The sustainable MSME program is expected to be able to solve the problems that MSME actors in the city of Bandung often experience. These problems include business finances that must be mixed with family finances, financial reports that are still very simple or improvised, making it difficult for businesses to obtain financial assistance from banks, and the low digitization of MSMEs, various other problems.

If you look at the amount of the budget and the realization of the existing budget in 2018-2020, the government, in this case, the Office of Cooperatives, Micro, Small, and Medium Enterprises, needs to increase the realization of the existing budget through the MSME development program to achieve Dynamic Sustainable Micro, Small, and Medium Enterprises or sustainable MSMEs in the city of Bandung. This research was conducted as an evaluation material for the government to improve its performance further in developing sustainable MSMEs in Bandung. Based on this, this research needs to be conducted to find out how to

optimize MSME development funds in the context of dynamic sustainable micro, small and medium enterprises by the Office of Cooperatives, Micro, Small and Medium Enterprises in the City of Bandung (Kara, 2013; Purwana et al., 2017).

Researchers used research conducted by Vera Agustina, Siti Amanah, Pudji Muldjono, and Pang Asngari entitled "Factors Influencing the Sustainability of Micro, Small and Medium Enterprises in Bandung and Bogor" as reference research from the research that the authors conducted. This study aims to analyze profile factors, external environmental support, use of ICT facilities, and competencies that affect business continuity.

The research method was carried out using a survey design, with a sampling technique that was carried out using disproportionate stratified random sampling distributed to 358 respondents. The data obtained is processed using descriptive techniques and structural equation models. The study results show that the sustainability level of MSMEs in urban areas is higher than in district areas. While the factors that influence the sustainability of MSMEs include the perception factor of MSME actors and the factor of using ICT facilities directly (Yanti et al., 2018).

In addition, researchers also used research conducted by Muhrom Ali Rozai and Lilik Subagiyo entitled "Optimizing Budget Absorption in the Context of Achieving Organizational Performance (Case Study on the Boyolali District Inspectorate)". This study aims to determine the factors that influence the budget's absorption and how the budget's absorption can affect the achievement of organizational performance. The research method used is experimental with case analysis at the Inspectorate of Boyolali Regency. Data analysis was based on the Budget Realization Report (LRA) and Government Agency Financial Accountability Reports (LAKIP). The results showed that the absorption of the budget in the organization was maximized, and high absorption resulted in an increase in organizational performance (Ali Rozai et al., 2015).

Furthermore, the novelty or what distinguishes the research that the author conducted from previous research is that in this study, the authors used the Dynamic Sustainable Micro, Small, and Medium Enterprises theory proposed by Rachmawan Budiarto. In addition, the authors also analyzed the optimization of MSME development funds in the sustainable MSME development program in Bandung City.

To find out how to optimize MSME development funds in the Office of Cooperatives, Micro, Small and Medium Enterprises in the Context of Dynamic Sustainable Micro, Small, and Medium Enterprises, the author uses the theory put forward by Rachmawan Budiarto in his book entitled "Development of UMKM Between Conceptual and Practical Experience". In his book, Budiarto (2019) suggests several aspects of MSME development to create dynamic and sustainable MSMEs, including:

1. Strengthening the Financial Aspect

Capital is essential to support the effectiveness and efficiency of MSME actors in increasing their productivity. Strengthening the financial aspect can be done through the following:

- a) An ideal Payment System for MSMEs
- b) Increasing MSME access to sources of financing
- c) The role of banking as an intermediary institution for the MSME sector

2. Strengthening Management Aspects

In strengthening the management aspects of the MSME sector, the ability to survive in the face of crises and current issues that are currently happening in the business world

is the key to success for MSME players. MSMEs that can survive in these situations and conditions show that they already have competence or ability in the managerial aspect.

3. Strengthening Technology Aspects

Strengthening this technological aspect is focused on the following:

- a) Dissemination of the use of new technology for assisted MSMEs
- b) Pilot project/demo of technology utilization
- c) Access to finance for the use of technology
- d) Optimizing the use of technology to increase productivity, efficiency, and competitiveness

4. Strengthening the Marketing Aspect

In strengthening this marketing aspect, Budiarto mentioned 4 priority steps consisting of:

- a) Increasing access to market information
- b) Compliance with market quality standards
- c) Launch of innovative products according to market tastes
- d) Development/expansion of target consumers

5. Strengthening Spiritual Aspects

Strengthening the spiritual aspect is the foundation that can support the four previous aspects. Mastery of this spiritual aspect is realized through enthusiasm for running a business, strong motivation, and noble ethics in doing business, where the strengthening of this spiritual aspect must come from the MSME actors themselves (Budiarto, 2019).

Methods

Researchers used a descriptive method with a qualitative approach, as suggested by Miles and Huberman. This qualitative descriptive research was used because researchers considered it relevant to the problems that occurred and in line with the research objectives, namely to describe events that occurred actually and in-depth towards optimizing MSME development funds to create sustainable MSMEs carried out by the Office of Cooperatives and Micro Enterprises, Small, and Medium Bandung City. The data collection techniques were obtained through interviews, observation, documentation, and literature studies.

Data was collected through structured interviews with the Heads of Micro, Small, and Medium Enterprises and the Head of the Finance Subdivision at the Office of Cooperatives and Micro Small and Medium Enterprises. Furthermore, observations were made by visiting the Office of Cooperatives, Micro, Small and Medium Enterprises in the City of Bandung. Documentation studies are carried out through documents or laws and regulations such as policies regarding economic reports of West Java Province, reports on the development of MSMEs in Bandung City, and other supporting documents. At the same time, the study of literature is done by conducting a review of references such as books, journals, and news in electronic media. Data analysis techniques were carried out using the analytical techniques proposed by Miles and Huberman, namely data reduction, data display, and conclusion drawing. Then the researcher tested the validity of the data using data triangulation. This research was conducted at the Office of Cooperatives, Micro, Small and Medium Enterprises in the City of Bandung. The research subjects were work units in the Micro Business and SME Facilitation and Finance Sectors (Miles et al., 2014; Sugiyono, 2017).

Results and Discussion

To find out the extent to which MSME development funds are optimized through the MSME Development Program in creating dynamic and sustainable MSMEs in Bandung, the researchers conducted an analysis based on the theory put forward by Rachmawan Budiarto regarding dynamic sustainable micro, small and medium enterprises. The following is the result of an analysis of the research that the authors conducted on several aspects of development:

Strengthening the Financial Aspect

Based on the financial aspect, financing, such as the availability of adequate capital, is the essential factor for increasing business productivity and efficiency for MSME actors (Budiarto, 2019), likewise with Dewi (Sari, 2013) states that the availability of capital is a requirement that business actors must own to support the sustainability of their business. Based on the results of interviews that researchers conducted together with the Head of Micro Business and SME Facilitation, most of the problems faced by MSME actors in the city of Bandung are the absence of financial records or business financial reports that are following the financial reporting standards provided by the government, namely SAK-EMKM. In addition, MSME actors often combine business finances with family finances, causing overlapping of their assets because there needs to be clarity regarding owned business assets.

The absence of business financial reports and unclear company assets are obstacles for MSME actors to obtain access to financing from financial institutions, especially banks. This is because, in order to gain access to financing from banks, business actors need to have collateral in the form of their assets. According to Fauzi (2020), this condition is a condition that MSMEs in Indonesia often experience. The problems that arise are caused by the fact that most MSME actors manage their businesses without being based on sound knowledge and skills regarding business management and financial management (Fauzi, 2020)

To overcome this, the Office of Cooperatives, Micro, Small, and Medium Enterprises seeks to optimize the existing budget by designing programs for sustainable MSME development in Bandung. The following is a table containing several programs and budgets used in efforts to strengthen the financial aspects of MSME actors:

Table 4.
Work Program and Budget Allocation in Financial Development Aspect

Year	Program	Budget	Realization	%
2018	Penguatan Ekonomi Kerakyatan Melalui Pelatihan Batik di Kampung Batik Cigadung	Rp750.000.000	Rp669.626.005	89,28
2019	Fasilitasi Intermediasi Akses Pembiayaan UMKM	Rp591.480.000	Rp535.015.000	90,45

Year	Program	Budget	Realization	%
2020	Fasilitas Pengembangan Pendampingan dan Kemitraan Usaha Pelaku Usaha Mikro	Rp1.099.046.400	Rp1.039.700.994	94
	Fasilitasi Intermediasi Akses Pembiayaan UMKM	Rp156.741.063	Rp151.116.000	96,41
	Fasilitas Pengembangan Pendampingan dan Kemitraan Usaha Pelaku Usaha Mikro	Rp282.100.000	Rp280.383.684	99,39

Source: Office of Cooperatives and SMEs (2020)

The table shows that from 2018-2020 the Office of Cooperatives, Micro, Small, and Medium Enterprises has provided facilities to strengthen the financial aspect for MSMEs in the City of Bandung through the several programs above. However, when viewed from the realization of the budget carried out by the agency, the researcher considers that the agency is maximal enough to realize the budget. This can be seen from the percentage of budget realization, which is almost 100%. However, the government, the Office of Cooperatives, Micro, Small and Medium Enterprises in the City of Bandung, must further optimize the realization of the existing budget. Because since 2018-2020, the agency has never realized its budget 100%, which has resulted in cuts to the development budget.

Furthermore, several indicators are in the dimension of strengthening the financial aspect. The following is the result of the researcher's analysis of these indicators:

- a. Availability of an ideal financing system for MSME actors
- a. Based on the author's research results, the Office of Cooperatives, Micro, Small, and Medium Enterprises in the City of Bandung still needs to provide an ideal financing system for MSMEs. The government is still very dependent on banks to provide financing for MSMEs. Whereas according to Budiarto, the ideal financing system for MSMEs is a combination of pawnshop business patterns, namely accessible guarantees, moneylender business patterns, namely providing flexible, practical, and accessible services, and commercial banking, namely being able to spur an orderly administration pattern for debtors.

Only now, the Office of Cooperatives, Micro, Small, and Medium Enterprises has been able to provide capital assistance in the form of money to MSME actors. So the agency seeks to become a liaison between financial institutions and MSME actors. Whereas if the agency can provide capital assistance to MSME actors, the agency can create an ideal financing system for MSME actors with the financing pattern as previously described. In addition, looking at the amount of the MSME development fund budget, there is always a large amount of remaining budget. This can be utilized by the Office of Cooperatives, Micro, Small, and Medium Enterprises to provide capital facilities for MSME actors (Gede Sudika Mangku & Putu Rai Yuliantini, 2022; Narto & HM, 2020).

b. Increasing MSME access to sources of financing

In the second indicator, from the aspect of financial strengthening, the Office of Cooperatives, Micro, Small and Medium Enterprises in the City of Bandung acts as a liaison between financial institutions and business actors. To increase MSMEs' access to sources of financing, the agency is also trying to connect business actors with non-banking financial institutions. This is done in order to minimize the existence of guarantees that must be owned by MSME actors in obtaining sources of financing. This financial assistance includes CSR, LPDB, and other soft assistance business actors can obtain. This follows what Budiarto (2019) stated, which states that to increase MSMEs' access to sources of financing, it is necessary to optimize the use of non-banking funds in empowering MSMEs. These funds can come from revolving funds from the APBN and APBD, PKBL, CSR, benevolent/social funds (qardhul hasan) from ZIS institutions, and so on. However, in terms of transparency, the agency has yet to show any transparency in the existing funds. This can be seen from the need for more information, especially financial information, on the Office of Cooperatives, Micro, Small, and Medium Enterprises website. In fact, (Budiarto, 2019) states that the management of these funds must be carried out in an integrated, professional, and transparent manner so that they can be effective in empowering MSME actors.

c. The role of banking as an intermediary institution for the MSME sector

Furthermore, banking as an intermediary institution or provider of capital funds for MSMEs is significant for MSMEs in Bandung. Based on the results of the researcher's interview with the Head of Small Business and MSME Facilitation, apart from acting as an intermediary institution, banks also act as facilitators to provide education to business actors in managerial matters to marketing. Because not a few banks provide capital assistance to business actors, who are followed by a mentoring program or what is known as the assisted MSME program, the presence of assisted MSMEs that banks directly foster can increase the literacy of MSMEs regarding the importance of having financial reports in business, digital marketing, and increasing the competence of other business actors. This follows what was stated by Muslimin, who stated that the banking sector is a sector that can provide development agents in the life of the state because the primary function possessed by banks is as an intermediary financial institution that collects funds from the public and distributes them back to the community in the form of credit. or financing (Kara, 2013).

Based on the description above, the researcher can conclude that the Office of Cooperatives, Micro, Small, and Medium Enterprises still needs to increase its efforts through the programs it produces to strengthen the financial aspect of MSMEs in the city Bandung. Because to create dynamic and sustainable MSMEs in the city of Bandung, it is necessary to have a more flexible financing system managed by the Office of Cooperatives, Micro, Small, and Medium Enterprises. With access to capital from the agency itself, MSMEs can be more flexible in making loans in the form of business capital, of course, with more accessible guarantees (Afinka et al., 2022; Afisa et al., 2023; Indrayani et al., 2022).

Strengthening Management Aspects

Practical managerial ability is one of the essential aspects that MSME actors must possess to improve their performance in supporting the sustainability of their business (Yudan Gumilar

& Fitria, 2019). Meanwhile, Budiarto (2019) states that the level of competition in the business world is getting sharper, and the number of innovations in the business world requires MSME actors always to implement the best management practices, or what is called transformative management. The results of the interviews show that the biggest problem SMEs face in the city of Bandung face is weak business management of SMEs in the city of Bandung. This can be seen from the weak financial reports owned by SMEs in Bandung or the difficulty separating family assets from business assets.

This is a challenge for the Office of Cooperatives and Micro, Small, and Medium Enterprises to provide education in improving managerial aspects for MSME actors, given the importance of financial reports that MSME actors must own as one of the conditions to be able to obtain financing from financial institutions such as banks. The Office of Cooperatives, Micro, Small, and Medium Enterprises' efforts to strengthen management aspects for MSME players in Bandung City are realized through several programs to improve management aspects and optimize MSME development funds. This can be seen in the following table:

Table 5.
Work Program and Budget Allocation in Management Strengthening Aspect

Year	Program	Budget	Realization	%
2018	Kegiatan Fasilitasi Pengembangan Kewirausahaan UMKM	Rp2.572.733.900	Rp2.177.313.526	84,63
	Kegiatan Peningkatan Kapasitas Koperasi dan UMKM	Rp470.000.000	Rp424.330.170	90,28
2019	Fasilitasi Pengembangan Pendampingan dan Kemitraan pelaku UMKM	Rp1.099.046.400	Rp1.309.700.994	94,6
	Capacity Building bagi SDM Usaha Mikro	Rp780.842.847	Rp727.947.930	93,23
	Kegiatan Peningkatan Kapasitas Koperasi dan UMKM	Rp491.010.000	Rp441.928.050	90
2020	Fasilitasi Pengembangan Pendampingan dan Kemitraan pelaku UMKM	Rp282.100.000	Rp280.383.684	99,39

Year	Program	Budget	Realization	%
	Capacity Building bagi SDM Usaha Mikro	Rp159.800.000	Rp156.217.900	97,6

Source: Office of Cooperatives and SMEs (2020)

The table shows that the agency has tried to increase the management aspects of MSME actors in Bandung through several programs. However, based on the results of interviews conducted by researchers with the Head of Micro Enterprises and Small and Medium Enterprises Facilitation Section, it was stated that the output of the training program and managerial assistance held could have been more optimal. Most MSME actors participating in the program must fully understand business financial management, which must be separated from family assets or financial reporting. Meanwhile, when viewed from the realization of the budget, it can be seen that since 2018-2020, the realization of the budget for management development programs for MSMEs has been carried out optimally. This can be seen from the percentage of budget realization, which almost reached 100%.

Based on this, the researcher can conclude that strengthening the management aspects carried out by the Office of Cooperatives, Micro, Small and Medium Enterprises in the City of Bandung still needs improvement. To maximize the management strengthening program, the agency can maximize young entrepreneurs or startups to be given managerial training. This is because young entrepreneurs or startups are still highly enthusiastic about entrepreneurship and are willing to learn. It is hoped that the managerial improvement program will not only provide training in financial management, but it will also still have to be accompanied by management training. This must provide output in sustainable MSMEs, proven by dynamic MSME products and MSMEs that can survive difficult times. Budiarto explained that in strengthening management, MSMEs must survive in complex or dynamic conditions, and the products produced can be used continuously or sustainably (Budiarto, 2019). Apart from that, in terms of using funds, the agency still has to realize the existing budget more optimally through programs to improve management for MSMEs in the City of Bandung to create dynamic and sustainable Bandung MSMEs (Hartana, 2022; Marliani et al., 2022; Sagita et al., 2022).

Strengthening Technology Aspects

In this digital era, the technological aspect is significant for businesses. Technology can be used as a suitable marketing medium for MSMEs. Yuswohadi (Purwana, Rahmi, & Aditya, 2017) states that MSME actors must be able to take advantage of the presence of digital developments to maintain their business. The development of digital technology can help MSMEs to market their products and conduct banking transactions more flexibly because they can be done online. According to Budiarto, strengthening this aspect of technology can be done through socialization related to the use of technology for MSME actors. Optimal use of technology can increase the productivity, efficiency, and competitiveness of MSME actors (Budiarto, 2019).

However, this is contrary to the facts that occur in the field; the results of interviews show that the Office of Cooperatives, Micro, Small, and Medium Enterprises does not have a budget for programs to strengthen aspects of technology for MSMEs in the city of Bandung. Technology is essential for marketing, transactions, and financial reports to achieve dynamic, sustainable micro, small, and medium enterprises. This is because most business actors are

housewives, making it difficult for the agency to conduct socialization or training regarding the use of technology. Because to do this, it is necessary to have the ability to operate electronic media. Meanwhile, the capacity of MSMEs to use electronic devices such as mobile phones is still being determined.

From these results, the researcher can conclude that the Office of Cooperatives, Micro, Small, and Medium Enterprises has yet to strengthen the technological aspects of MSME actors. To create sustainable MSMEs, technology is fundamental to use. To overcome this, the agency can maximize the potential of young entrepreneurs and startups in Bandung. By providing budget allocations for programs to strengthen technological aspects, the agency can improve technological aspects for MSMEs in Bandung. So that UMKM in Bandung City can become sustainable and competitive UMKM because they can market their products more broadly (Helilusatiningih et al., 2022; Suhartono, Meiden, et al., 2022; Suhartono, Prasetyo, et al., 2022).

Strengthening Promotion Aspects

Marketing is an important activity carried out by MSME actors to introduce or promote their products to consumers. Narto (2020) states that strengthening the marketing aspect needs support by presenting innovation and product development according to consumer needs and desires (Narto & HM, 2020). Based on the research results, the marketing problem faced by MSME actors in Bandung is the need for more utilization of digital technology as a marketing medium. To strengthen the marketing aspect, the Office of Cooperatives, Micro, Small, and Medium Enterprises of the City of Bandung seeks to provide marketing programs that MSME actors can use. The following table shows the existing programs and budgets at the Office of Cooperatives, Micro, Small, and Medium Enterprises to improve marketing aspects for MSMEs in the city of Bandung:

Table 5.
Program and Budget Allocation in Marketing Aspect

Year	Program	Budget	Realization	%
2018	Kegiatan Penyelenggaraan Promosi Produk UMKM	Rp2.926.852.315	Rp2.118.835.700	72,39
2019	Penyelenggaraan Promosi dan Pemasaran Produk UMKM	Rp1.177.676.450	Rp993.138.812	84,33
2020	Penyelenggaraan Promosi dan Pemasaran Produk UMKM	Rp86.600.000	Rp84.860.000	97,99

Source: Office of Cooperatives and SMEs (2020)

The table shows that in strengthening the marketing aspect, the Office of Cooperatives, Micro, Small and Medium Enterprises in the City of Bandung regularly organizes promotion and marketing programs for MSME products. This was realized through the holding of exhibitions featuring MSME products in the city of Bandung. In its implementation, the Office of Cooperatives, Micro, Small, and Medium Enterprises has consistently held exhibitions every year since 2018-2020. Furthermore, the table shows that the agency needs to optimize its budget. This can be seen from the percentage of realization, which is still below 100%. The agency needs to re-maximize the utilization of the existing budget to increase access to promotion for MSMEs. The following is the result of an analysis of the 4 steps in strengthening the marketing aspect:

- a. Increased access to market information
In this case, the agency does not provide specific information to MSMEs regarding market information. MSMEs can obtain market information through exhibitions held by the agency. Through this exhibition, MSME actors can exchange information and get much information from prominent entrepreneurs who are present at the exhibition. Because of this, the researcher considers that the agency's efforts to increase access to market information still need to be improved, considering that market conditions are very dynamic and require up-to-date information. To overcome this, the agency can provide market information services displayed on the official website. That way, MSMEs can easily access market information and continue to improve their products to suit consumer desires.
- b. Compliance with market quality standards
Market quality standards are fulfilled through a coaching program held by the Office of Cooperatives, Micro, Small, and Medium Enterprises for MSME actors. The coaching program with 1 mentor for 20 business actors aims to improve business actors' products and provide managerial training for business actors. The agency also seeks to maximize the superior products owned by MSMEs in Bandung City, namely superior products in fashion, food, Creative Economy, and services to meet market quality standards.
- c. Launch of innovative products according to market tastes
Based on the results of the interviews, the Office of Cooperatives, Micro, Small, and Medium Enterprises is trying to launch innovative products by utilizing superior products owned by the City of Bandung. This is because consumers already favor many superior products from Bandung. Innovative products can be shown in exhibitions organized by agencies or other agencies.
- d. Development/expansion of target consumers
In this case, the agency needs to develop/expand the target consumers optimally. This is because the agency only holds an exhibition once a year to promote MSME products in the city of Bandung. This was assessed as needing more research due to the narrow range of consumers. The agency needs to create other promotional innovations to help MSME players reach a wider audience (Iskandar, 2022; Luaylik et al., 2022; Suhartono, Meiden, et al., 2022).

Strengthening Spiritual Aspects

Budiarto (2019), in his book, states that strengthening the spiritual aspect is the most crucial aspect as a support for the four previous aspects in the dynamic and sustainable development of MSMEs. Based on the research results, the agency should have strengthened

this spiritual aspect in Bandung's sustainable MSME development program. This can be seen from the absence of a budget or program to strengthen the spiritual aspect of MSME actors. Even though strengthening the spiritual aspect is also one of the most important things to increase motivation for MSME actors to run their businesses enthusiastically and have noble business ethics (Budiarto, 2019).

Conclusion

Based on the results of the analysis carried out by the author in each dimension of dynamic and sustainable MSME development or Dynamic Sustainable Micro, Small, and Medium Enterprises, the author can conclude that MSME development carried out by the Office of Cooperatives, Micro, Small, and Medium Enterprises has not reached the sustainable stage if analyzed using the theory that researchers use. This is because two dimensions of dynamic, sustainable micro, small, and medium enterprises still need to be fulfilled, namely the dimensions of strengthening the technological and spiritual aspects. Apart from that, in the dimension of strengthening the financial aspect, the agency still depends on financing provided by the banking sector. There is no ideal financing system for MSME actors. Related agencies have also yet to be able to provide capital in the form of money to MSMEs.

Furthermore, in the aspect of organizational strengthening, the agency needs to be maximal in providing socialization or literacy related to the ideal management system that MSME actors can use. Furthermore, the service consistently promotes MSME products through exhibitions to strengthen the promotion aspect. However, recent innovations can only be used in MSME development activities in Bandung. Meanwhile, regarding optimizing funds, the Office of Cooperatives, Micro, Small, and Medium Enterprises still need to optimize its budget. This can be seen from the absence of a percentage of budget realization reached 100% since 2018-2020.

Reference

- Afinka, S. N., Awaliyah, I., Ifosioni, A. P., Negeri, I. K. H., & Saifuddin, Z. (2022). Optimalisasi Penyaluran dan Pengawasan Dana Lembaga Pengelola Dana Bergulir kepada Usaha Mikro Kecil dan Menengah melalui Aplikasi Securities Crowdfunding Sharia. *Journal of Indonesian Sharia Economics*, 1(2), 189–200. <https://doi.org/10.35878/jiose.v1i2.488>
- Afisa, H. N., Mulyadi, D., & Sandi, S. P. H. (2023). Optimalisasi Peran Dana Kur (Kredit Usaha Rakyat) Dalam Memberantas Praktek Rentenir Bank Emok Untuk Meningkatkan Kinerja Umkm Di Desa Bojongsari. *JISIP: Jurnal Ilmu Sosial Dan Pendidikan*, 7(1), 840–847.
- Ali Rozai, M., Subagiyo, L., Pertama Inspektorat Kabupaten Boyolali, A., & Muda Inspektorat Kabupaten Boyolali, A. (2015). Optimalisasi Penyerapan Anggaran dalam Rangka Pencapaian Kinerja Organisasi (Studi Kasus pada Inspektorat Kabupaten Boyolali). *Jurnal Manajemen Sumberdaya Manusia*, 9(Juni), 72–89.
- Anshor, A. H. (2022). Tahun 2022 Call for papers dan Seminar Nasional Sains dan Teknologi

- Ke-1 2022 Fakultas Teknik, Universitas Pelita Bangsa. *Saintek: Sains Dan Teknologi*, 1(1), 337–345.
- Budiarto, R. (2019). *Pengembangan UMKM Antara Konseptual dan Pengalaman Praktis*. Gadjah Mada University Press.
- Datupalinge, B. A., Geby, A., Salsa, A., & Alifa, R. (2022). Optimalisasi UMKM menggunakan Pendekatan Triple-Helix terhadap Upaya Pemulihan Ekonomi Nasional Pasca Covid-19. *Jurnal Keuangan Negara Dan Kebijakan Publik*, 2(1), 52–61.
- Fauzi, H. (2020). Pelatihan Manajemen Keuangan bagi Pelaku UMKM sebagai Upaya Penguatan UMKM Jabar Juara Naik Kelas. *BERNAS: Jurnal Pengabdian Kepada Masyarakat*, 1(3), 247–255. <https://doi.org/10.31949/jb.v1i3.324>
- Gede Sudika Mangku, D., & Putu Rai Yuliartini, N. (2022). Pengembangan Usaha UMKM di Masa Pandemi melalui Optimalisasi Digital Marketing di Kabupaten Buleleng. *Jurnal Pendidikan Kewarganegaraan Undiksha*, 10(3), 1–24. <https://ejournal.undiksha.ac.id/index.php/JJPP>
- Hanif Ismail, O., Meiden, C., Nuryani, N., Roza Kusuma, E., & Monica Mardji, T. (2022). Sistem Mato sebagai Model Manajemen Pengelolaan UMKM di Era New Normal: Program Pelatihan dan Pendampingan Berkelanjutan bagi Usaha Mikro Kecil dan Menengah (UMKM) Anggota Koperasi Garudayaksa di Jakarta Selatan. *Jurnal Pengabdian Kepada Masyarakat*, 1(11), 3141–3148. <http://bajangjournal.com/index.php/J-ABDI>
- Harman, M., Martinez, J., Ponce, A., Pratt, C. S., Roberts, K., Steele, J., Agarwal-harding, P., Ahmed, M., Bengel, A., Glynn, T., Kabre, M., Liberman, S., Lurie, S., Muller, M., Pena, K., Plechnin, R., Randall, A., Hubbard, O. W. C., Neukom, W. H., ... President, V. (2015). *World Justice Project Open Government Index™ 2015 Report*.
- Hartana, H. (2022). Pengembangan UMKM di Masa Pandemi melalui Optimalisasi Teknologi. *Jurnal Pengabdian Kepada Masyarakat Media Ganesha FHIS*, 3(2), 50–64. <https://www.djkn.kemenkeu.go.id/artikel/baca/13317/UMKM-Bangkit-Ekonomi-Indonesia->
- Helilusiatiningsih, N., Astoko, P., Winahyu, N., & Shobirin, R. A. (2022). Pemberdayaan UMKM dan Mentoring Teknologi Produk Olahan Nanas di Desa Babadan Kecamatan Ngancar Kabupaten Kediri. *Jurnal Abdiraja*, 5(1), 24–31.
- Herdinata, C., & Pranatasari, D. F. (2019). *Panduan Penerapan Financial Technology Melalui Regulasi, Kolaborasi, dan Literasi Keuangan Pada UMKM*. In Leutika Press.
- Indrayani, I., Murhaban, M., Nurhasanah, N., Hanif, H., Abidin, Z., Studi Akuntansi, P., Ekonomi dan Bisnis, F., & Malikussaleh, U. (2022). Pendampingan Penyusunan Laporan Keuangan UMKM Dan Optimalisasi Potensi Desa Panggoi, Muara Dua, Lhokseumawe. *COMSEP: Jurnal Pengabdian Kepada Masyarakat*, 3(1), 62–67.
- Iskandar, Y. (2022). Pengaruh Modal Sosial, Kapabilitas Financial, Orientasi Kewirausahaan terhadap Daya Saing Bisnis Berkelanjutan serta Implikasinya pada Kinerja UMKM

- Industri Kuliner di Kota Sukabumi. *Senmabis: Seminar Nasional Manajemen Dan Bisnis*, 2–19. <https://senmabis.nusaputra.ac.id/>
- Jasuni, A. Y., Firdaus, M., & Sanim, B. (2018). Micro Financing Optimalization Strategy for MSMEs Development (Case Study at Kabupaten Bogor, Indonesia). *Indonesian Journal of Business and Entrepreneurship*, 4(2). <https://doi.org/10.17358/ijbe.4.2.161>
- Kara, M. (2013). Kontribusi Pembiayaan Perbankan Syariah terhadap Pengembangan Usaha Mikro Kecil dan Menengah (UMKM) di Kota Makassar. *Jurnal Ilmu Syari'a Dan Hukum*, 47(1), 269–302.
- Laily, N., & Kurniawan, R. Y. (n.d.). *Analisis Pengaruh Perkembangan Usaha Kecil Menengah (UKM) terhadap Pertumbuhan Produk Domestik Regional Bruto (PDRB)*.
- Luaylik, N. F., Azizah, R. N., & Saputri, E. (2022). Strategi Pemberdayaan UMKM Batik Desa Klampar Kabupaten Pamekasan dalam Perspektif Kebijakan Berkelanjutan. *Jurnal Ilmu Sosial Dan Ilmu Administrasi Negara*, 06(02), 2620–5149.
- Marliani, S., Namaradzani, F., Romadhon, M. E., & Andhicandra, M. (2022). Perkembangan Profil Desa dan UMKM yang Berkelanjutan dan Tertata di Era New Normal. *KNPP: Konferensi Nasional Penelitian Dan Pengabdian*, 2227–2255.
- Marzuki, T., Reta Dwi Sari, N., & Arizanda Rahayu, R. (2023). Membangun Potensi Wisata dan UMKM Berkelanjutan Ranting 'Aisyiyah Sidodadi. *Abdimasku*, 6(1), 252–258.
- Miles, M. B., Huberman, A. M., & Saldana, J. (2014). *Qualitative Data Analysis, A Methods Sourcebook*. Sage Publication.
- Narto, N., & HM, G. B. (2020). Penguatan Strategi Pemasaran Puduk di Tengah Pandemi Covid-19 untuk Meningkatkan Keunggulan Bersaing Usaha Mikro Kecil Menengah Kota Gresik. *Jurnal INTECH Teknik Industri Universitas Serang Raya*, 6(1), 48–54. <https://doi.org/10.30656/intech.v6i1.2195>
- Nasir, H. (2017). Penguatan Pembangunan Ekonomi Berkelanjutan melalui UMKM dan Koperasi dalam Masyarakat Pedesaan (Studi Kasus: Petani Madu Hutan di Taman Nasional Ujung Kulon). *Jurnal Sospol*, 3(2), 122–138.
- Purwana, D., Rahmi, R., & Aditya, S. (2017). Pemanfaatan Digital Marketing Bagi Usaha Mikro, Kecil, Dan Menengah (UMKM) Di Kelurahan Malaka Sari, Duren Sawit. *Jurnal Pemberdayaan Masyarakat Madani (JPMM)*, 1(1), 1–17. <https://doi.org/10.21009/jpmm.001.1.01>
- S, B., & Prajawati, M. I. (2020). Membangun Hubungan Berkelanjutan Sektor UMKM dan Perbankan. *IQTISHODUNA*, 16(2), 147–166. <https://doi.org/10.18860/iq.v16i2.7876>
- Sagita, N. G., Kartikasari, M., Asyrofi, M. H., & Hayati, K. R. (2022). Optimalisasi Digital Marketing untuk Pengembangan UMKM Kelurahan Kebonsari Kecamatan Jambangan Kota Surabaya. *Jurnal Abdi Masyarakat Indonesia*, 2(4), 1325–1332. <https://doi.org/10.54082/jamsi.430>
- Sugiyono. (2017). *Metode Penelitian Kuantitatif, Kualitatif dan R&D*. Alfabeta.

- =====
- Suhartono, S., Meiden, C., Triyani, Y., Adrea, S. N., Katharina, M., Bisnis, S.-I., Kwik, I., Gie, K., Berkelanjutan, P., Pelatihan, D., Sare, M. K., & Bisnis, I. (2022). Pendampingan Berkelanjutan dan Pelatihan Penyusunan “Sustainability Company Profile” UMKM Toko Roti LindaYes. *Jurnal Abdimas Perbanas*, 3(1).
<https://journal.perbanas.id/index.php/JAP/>
- Suhartono, S., Prasetyo, A. H., & Mindosa, B. (2022). Persiapan Dana Pensiun: Program Pelatihan dan Pendampingan Berkelanjutan bagi Usaha Mikro Kecil dan Menengah (UMKM) Anggota Koperasi Garudayaksa di Jakarta Selatan. *J-Abdi: Jurnal Pengabdian Kepada Masyarakat*, 1(11), 3017–3024.
- Sujaya¹, F. A., & Aprillia, R. (2022). Optimalisasi Peran Dana KUR (Kredit Usaha Rakyat) dalam Memberantas Praktek Rentenir Bank Emok untuk Meningkatkan Kinerja UMKM di Desa Karangtanjung. *Konferensi Nasional Penelitian Dan Pengabdian*, 788–795.
- Supriatna, D., Candra, E., Adinugroho, I., Nasution, M. A., & Yanti, N. (2023). Pengaruh Kinerja UMKM Terhadap Pertumbuhan Ekonomi Kabupaten Sukabumi. *Sanskara Ekonomi Dan Kewirausahaan*, 01(02), 43–53.
- Umk, S., Menciptakan, D., Berkelanjutan, B., Yogyakarta, D., & Sulisty, A. (2021). *Kapita Selekt, Pariwisata di Era Adaptasi Kebiasaan Baru Book Chapter*.
- Yanti, V. A. Y., Amanah, S., Muldjono, P., & Asngari, P. (2018). Faktor yang Mempengaruhi Keberlanjutan Usaha Mikro Kecil Menengah di Bandung dan Bogor. *Jurnal Pengkajian Dan Pengembangan Teknolgoi Pertanian*, 2(2), 137–148.
- Yudan Gumilar, F., & Fitria, S. E. (2019). Pengaruh Kemampuan Manajerial terhadap Kinerja Perusahaan (Studi pada Sentra Industri Pengolahan Kayu di Jl. Terusan Pasirkoja Kota Bandung). *E-Proceeding of Management*, 6–1.