

The Government's Role in Improving The Quality of Msme Products in Sepande Village

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DOI: <https://doi.org/10.61796/icossh.v2i2.557>



Sections Info

Article history:

Submitted: September 10, 2025

Final Revised: September 25, 2025

Accepted: October 02, 2025

Published: October 10, 2025

Keywords:

Role

Government

UMKM

Product Quality

ABSTRACT

Objective: This study aims to analyze and describe the role of the government in improving the quality of MSME products in Sepande village. **Method:** The research method used uses a qualitative method. This research was carried out in Sepande Village, Sidoarjo District, Sidoarjo Regency. The focus of the research is to analyze the role of the government, this role is divided into 5 indicators, namely 1) Regulator, 2) Facilitator, 3) Dynamizer, 4) Protector, 5) Promoter. Data collection techniques use interviews, observation and documentation, data analysis using qualitative descriptive analysis. **Results:** The results of the study concluded that the Government of Sidoarjo Regency and Sepande Village has tried to carry out its role as regulators, facilitators, dynamizers, protectors, and promoters through various programs such as "I Love Sepande MSMEs", product certification programs, digitization of MSMEs, the formation of cooperatives, and the MSME Expo. **Novelty:** Development of a comprehensive government role evaluation framework with five specific indicators (regulators, facilitators, dynamizers, protectors, and promoters) that are applied in-depth in the context of tourism villages with unique characteristics as "1000 MSME Villages", where there has been no previous research that analyzes these five roles simultaneously and integrated in specific geographical and demographic settings such as Sepande Village.

INTRODUCTION

Economic management based on micro, small and medium enterprises has many advantages, being able to encourage people to work hard, be highly disciplined and increase creativity and innovation for people who want to have higher incomes [1]. In an effort to build the national economy through the Business, Micro, Small and Medium sectors, which in terms are often referred to as MSMEs or small businesses, the government pays great attention and gets priority for coaching and development in order to strengthen the national economic structure. The MSME sector itself has an important role in economic growth in Indonesia considering that the number of MSMEs in Indonesia is quite large [2]. The total number of MSMEs in Indonesia is 64.19 million, and the composition of micro and small and medium enterprises is very dominant, which is 64.13 million, which is around 99.92 percent in all business sectors (Coordinating Ministry for Economic Affairs, 2021).

The Cooperatives and Micro Enterprises Office in Sidoarjo Regency was formed based on Sidoarjo Regency Regional Regulation Number 14 of 2022 concerning the position, organizational structure, duties and functions as well as work procedures of Cooperatives and Micro Enterprises of Sidoarjo Regency [3]. Based on these regional regulations, the Sidoarjo Regency Cooperatives and Micro Enterprises Office organizes government affairs in the field of cooperatives, micro, small and medium enterprises. The

steps of the cooperative and micro business office can always make improvements in realizing good management practices and improving the quality of public services [4].

In carrying out the affairs of cooperatives and small businesses as stated in the Strategic Plan of the Cooperative Office which has the main goal, namely improving the institutional quality and productivity of cooperatives and micro businesses through the development of local potential to realize an inclusive regional economy [5], which has two goals, namely improving the quality of cooperatives and increasing independent micro businesses, each of which has target indicators that must be achieved in 2022 and 2023. Several MSMEs are spread across various regions in Indonesia and one of them is Sidoarjo Regency, the area that owns the most MSMEs in Indonesia [6]

The problems that arise for Micro, Small and Medium Enterprises MSMEs in Sepande village are very complex. The main problem faced by MSMEs is about product marketing [7]. How can the business continue to operate and continue to grow through the number of orders for the products produced. Selling products through online platforms is one of the efforts that can be made so that products can be known and ordered by consumers. MSME actors must switch marketing methods from the previously conventional to digital following the development of technology that continues to be updated. MSME actors must be aware of the importance of consistency in the production, packaging, labeling, sales, promotion, and production processes of the products produced so that their business can continue to be sustainable [8].

Many MSMEs in villages face obstacles such as lack of training on digital marketing strategies, difficulty creating engaging content and lack of understanding of digital platform features [9]. This is important to do so that the specific needs of MSMEs in Sepande villages are expected to be more targeted at the solutions offered. MSMEs can use the internet as a means to carry out marketing activities through the internet, which is a trend in current economic activities [10]. This opportunity must be able and taken by entrepreneurs to be able to market their products both through websites, social media (Facebook, Twitter and Instagram). The creativity and ability of the community to channel their ideas and creations by utilizing available natural resources is realized in the development of MSMEs will have an impact on the development of the economic potential of each region. Economic development can be in the form of increasing local products supported by the creativity of local people.

Sepande Village Home *Industry* Center Tempe and Tofu Sepande Village is widely known as a tempeh and tofu producing village [11]. Almost most of the people of Sepande Village are engaged in the tofu and tempeh business in a traditional way. Tempeh production is carried out from generation to generation, the business is managed in the family (husband and wife) and semi-modern in terms of equipment. Business Capital and Labor. The business capital is relatively simple and most of the capital is self-owned. The average capital in one tempeh production is around IDR 428,000. Soybean raw materials are easy to obtain, the average volume of raw material use per month reaches around 3,750 kg for the tempeh business. The absorption of local labor is quite significant. The average age of the workforce is \approx 40 years, the daily salary is around Rp

54,000. Marketing and Market Reach Although on a household/local scale, products from Sepande Village have market reach outside the district, especially through traditional markets. There are efforts to innovate packaging and marketing through social media to attract a wider range of consumers. Socio-Cultural and Community Values The tempe and tofu business is not only an economic aspect but also part of the cultural heritage and identity of the village. MSME Identity Heritage and Business Diversity In addition to tempeh and tofu, Sepande Village has many MSME actors such as rice cakes, written batik, goat farms, salted eggs, opak gambier, waste banks, and other crafts. It is called the "1000 MSMEs" Village because of the large number of MSMEs operating. Educational Tourism Potential / *Out Door Learning Due to the* dominant character of MSME and handicraft businesses, Sepande Village is considered suitable as an educational tourism destination / learning visit for students or communities.

MSMEs in Sepande Village are generally engaged in the processed food, handicrafts, and household products sectors. In terms of product quality, there are still several challenges faced. Product Standardization, Most MSMEs do not have uniform quality standards, both in terms of taste, size, and packaging, making it difficult to compete in the wider market. Packaging and Branding, Many products still use simple packaging and do not have a strong brand identity, so the selling value is relatively low. Product Innovation, The level of innovation is still limited. The products produced tend to be monotonous due to limited knowledge in the development of new variants. Certification and Legality – Some MSMEs do not have official permits such as PIRT, halal, or BPOM, so access to modern markets (supermarkets or large e-commerce) is still hampered. Quality of human resources – The skills of MSME entrepreneurs still depend on hereditary experience, not yet fully based on technology or modern management [12].

The empowerment of MSMEs in Sepande Village, Sidoarjo is carried out through various efforts involving training, mentoring, and government and community support. MSME actors were given briefings related to business management, digital marketing, and financial management in order to be able to increase product competitiveness. In addition, village and district governments play a role in facilitating business legality, assisting access to capital, and encouraging the participation of MSMEs in promotional programs such as exhibitions and regional e-catalogs. Empowerment is also carried out by forming networks between business actors so that they can share experiences, expand markets, and develop product innovations. This effort is expected not only to improve the quality of MSME products in Sepande, but also to strengthen the local community's economy in a sustainable manner [13].

The Sidoarjo Regency Government has an important role in encouraging the improvement of the quality of MSME products through various coaching, facilitation, and regulatory programs. The Sidoarjo government provides training and assistance for small business actors to be able to improve production skills, innovation, and product packaging so that they are more attractive and competitive [14]. In addition, the government also facilitates business legality, halal certification, and quality standards so that MSME products can be accepted in a wider market, including government e-

catalogs. Support in the form of access to capital through partnerships with financial institutions as well as promotional assistance through regional exhibitions and events are also part of the empowerment strategy. With these steps, the government seeks not only to improve product quality, but also to expand market reach and strengthen the competitiveness of Sidoarjo MSMEs at the local, national, and international levels. Based on the available training data, it can be explained in the table below.

Table 1. Table of the role of the Sidoarjo government in overcoming MSMEs.

No	Forms of Government Support	Information	Data Source	Year
1	Business Management Training	Entrepreneurship and financial management training for MSME actors	Sidoarjo Regency Cooperatives & SMEs Office	2023
2	Product Certification	Facilitation of halal and PIRT certification for food/beverage MSME actors	Health Office & Trade Office of Sidoarjo	2022–2024
3	Business Capital Assistance	Grant and soft loan programs for micro MSMEs in villages	Village Fund Report Sepande Village	2023
4	Product Assistance	Mentoring programs from agencies and academics to improve product quality	Partnership of the Cooperative Office	2023
5	Digitization of MSMEs	E-commerce, marketplace, and social media training for digital marketing	Communication and Information Service & SME Diskop Sidoarjo	2023–2024
6	Product Exhibition Facilitation	Local MSMEs are facilitated to participate in district and provincial exhibitions	Sidoarjo Expo MSME Event	2023
7	Formation of MSME Cooperatives	The establishment of cooperatives as a joint venture and production cost efficiency	Cooperatives and MSMEs Office	2022

Source : Communication and Information Service & Sidoarjo UKM Diskop – 2023

The data in the table shows various forms of government roles in supporting MSMEs in Sepande Village through training, product certification, capital assistance, mentoring, digitalization, exhibition facilitation, and the formation of cooperatives. The meaning of the data is that the government not only functions as a regulator, but also as a facilitator and dynamizer that seeks to strengthen the capacity of the community's business. Business management training, for example, helps MSME actors improve their skills in managing finances and business strategies. Halal certification and PIRT provide legitimacy and increase consumer trust in the products produced. Capital assistance and product assistance strengthen the resilience of MSMEs in maintaining production quality

and encouraging innovation. Digitalization efforts provide opportunities for MSMEs in Sepande Village to reach a wider market through e-commerce and social media. In addition, the facilitation of product exhibitions expands market access, while the formation of cooperatives creates a collective forum that can improve cost efficiency and competitiveness. Thus, the data in the table reflects that government support plays a direct role in improving the quality of MSME products in Sepande Village, both in terms of management, legality, technology, marketing, and institutions, so that the products produced are able to compete in local and regional markets.

The research on the role of the government in improving the quality of MSMEs in this is based on several previous researches: the first is entitled the role of the Palu City Government in empowering MSMEs using a qualitative research approach with a descriptive research type. The results of the study show the success of the government's role through three main aspects: as a regulator, dynamizer, and facilitator [15].

Second, research with the efforts of the Sidoarjo Regency Cooperatives and Micro Enterprises Office in the recovery of MSMEs using qualitative research methods. The results of the study show that the role of the agency includes: as a stabilizer through the Kurda Sayang capital assistance program with a low interest rate of 3%, as an innovator through business clinic services and the Tuko Yuk marketplace platform, and as a facilitator in providing training and assistance to MSME actors. This study provides a concrete overview of the implementation of local government programs in supporting MSMEs in Sidoarjo Regency [16]. Third, from the researcher entitled Clustering Model for Improving the Quality of Competitive MSME Products by Integrating Technology Content and Quadruple Helix, he explained that currently there are still many MSME actors who do not know access to banking or loans that will be used as their working capital. The higher the awareness and demands of consumers for quality products, so inevitably MSMEs must improve so that they have high competitiveness, especially now that consumers can easily obtain products from abroad. The results of this research should be a provision for the government through the agency to enforce empowerment for MSMEs. The higher the awareness and demands of consumers for quality products, so inevitably MSMEs must improve so that they have high competitiveness, especially now that consumers can easily obtain products from abroad [17].

This research uses the Theory of the Role of the Government, The theory of the role of the government basically explains the functions and responsibilities of the government in regulating, directing, and facilitating people's lives, including in the economic field. According to Siagian's view, the government functions as a regulator, facilitator, and dynamizer that ensures the creation of social order while encouraging development. The variables of this role content are divided into 5 indicators, namely 1) Regulator, 2) Facilitator, 3) Dynamizer, 4) Protector, 5) Promoter [18]

The problem in the role of the government to improve the quality of MSME products in Sepande Village lies in, First, there is still a gap between the program launched and the real needs of business actors. Second, although the government has provided support in the form of training, certification, capital assistance, and marketing

facilitation, its implementation is often uneven and sustainable. Many MSME actors do not fully understand the benefits of training due to limited management literacy, so the results of these activities are not immediately seen in improving product quality. Third, the halal and PIRT certification process requires additional time and costs which make some MSMEs reluctant or difficult to take care of it. Fourth, capital assistance has also not reached all business actors due to limited village funds and administrative requirements that are sometimes confusing for small entrepreneurs. The digitalization of MSMEs also faces obstacles, because not all MSME actors are used to information technology, so it is difficult for them to maximize online marketing. In addition, assistance provided by the government or academics is often temporary, even though MSMEs need continuous assistance to maintain product quality. Another problem is the lack of synergy between agencies in distributing programs, so that there is overlap or even role vacancies. These things show that even though the role of the government has been quite active, there are still obstacles in implementation that need to be fixed to really have an impact on improving the quality of MSME products in Sepande Village.

From the problems described, the formulation of this research problem is to analyze and describe the role of the government in improving the quality of MSME products in Sepande village, various challenges and opportunities that can be used by MSMEs in Sepande village to be more competitive through the role of the government.

RESEARCH METHOD

The research method used uses a qualitative method to analyze the existence of objects to become research. Qualitative research is a research approach that focuses on understanding social phenomena in depth through the perspective of participants, rather than just measuring numbers or statistical data. This research explores the meanings, values, and experiences experienced by individuals or groups in certain contexts. Qualitative research is used to explore and understand the meaning that an individual or group considers to be derived from a social or humanitarian problem [19]. The data collected is usually in the form of words, narratives, documents, and observations that are analyzed descriptively and interpretively.

This research was carried out in Sepande Village, Sidoarjo District, Sidoarjo Regency. To collect some appropriate data, using data collection techniques, namely direct observation of the object to be researched such as interviews with village officials and collecting documentation to obtain evidence and documents that support the research process. This research focuses on the role of the government in overcoming a product and its impact on MSMEs in Sepande village. To determine informants, this study uses the Purpose Sampling method, which involves village heads, community members, government elements and MSMEs. The types and sources of data used in this study include: (1) Primary data collected through observation and questionnaires directly at the research site, and (2) Secondary data obtained from various sources such as documentation, documents and reports that act as supporting information in the research [20]. This study uses data analysis techniques applied by the interaction analysis model

developed by Miles and Huberman which consists of four stages: (1) data collection, which includes data in the field during the research, including observation and interviews, (2) Data reduction, which aims to summarize, focus and transform the data that has been collected, (3) Data presentation, presenting information logically and systematically to facilitate the process of drawing conclusions, (4) Drawing conclusions, data is recorded, decomposed and grouped into various categories to produce existing conclusions [21].

RESULTS AND DISCUSSION

Result

1. Explanation of Regulator Indicators

The role of the government as a regulator refers to the government's function in establishing, supervising, and enforcing laws and regulations that regulate people's economic activities, especially in the context of Micro, Small, and Medium Enterprises (MSMEs). As a regulator, the government has the authority to make policies that support the development of MSMEs, set product quality standards, regulate business licensing, and ensure business actors' compliance with applicable regulations [18]. In the context of improving the quality of MSME products, the role of regulators includes the establishment of quality standards, product certification requirements such as PIRT (Household Industrial Food), halal certification, and BPOM permits, as well as regulations related to food safety and consumer health. The government also plays a role in drafting regulations that facilitate MSMEs' access to the formal market and encourage product innovation through a conducive legal framework.

Sepande is one of the tourist villages in Candi District, Sidoarjo Regency. Sepande Village has the jargon of 1000 MSME Village. It is called the 1000 MSME Village because it has more than 1000 MSME actors, among which the largest cluster is tempeh artisans whose number reaches hundreds of craftsmen. In addition, there are other MSMEs such as lontong, written batik, goat breeders, shake flowers, salted eggs, waste banks, opak gambir, tofu, and so on.



Figure 1. I Love MSME Program from the Sepande Village Government
Source : Sepande Village Government (2025)

This program is useful to provide convenience to MSME actors in developing their businesses, encourage MSME actors to always innovate and make it easier for the Sepande village government to collect MSME data. Interview results with the Head of Sepande Village

"Sepande Village is indeed known as the Village of 1000 MSMEs As the village government, we have tried to regulate and foster through the 'I Love Sepande MSMEs' Program. This program includes making product label designs, helping to take care of business letters, NIB, halal certification, and even helping capital by collaborating with third parties. Then the challenges that we face as regulators. First, there are still many MSME actors who do not understand the importance of certification such as PIRT, halal, or BPOM. They still think 'the important thing is that the product sells'. Second, complicated bureaucratic procedures make them reluctant to take care of legality. Third, the socialization we are doing has not been effective in reaching all business actors."

Similar statements are from MSME actors

As a tempeh entrepreneur, PIRT only got it last year after being assisted by the village government. For halal, it is still in process because the procedure is complicated and the cost is not bad. Actually, the village government has helped, but yes, the process is still long Yes, the standard is as usual, the important thing is delicious and hygienic. But indeed each craftsman has a different way. Some are thick, some are thin. Some are sweet, some are a bit sour. There is no standard benchmark from the government

Based on the analysis of the government's role as a regulator in improving the quality of MSME products in Sepande Village, it can be concluded that even though a

regulatory framework has been available, its implementation is still not optimal. The Sidoarjo Regency Government has issued various regulations and provided facilitation for product certification, but the level of participation of MSME actors in managing business legality is still low. This is due to the complexity of bureaucratic procedures, lack of effective socialization, and limited understanding of business actors on the importance of product certification. This condition has an impact on the limited access of MSMEs to the modern market and the low competitiveness of products at the regional and national levels. Simplification of procedures, increasing the intensity of socialization, and continuous assistance are needed so that the role of regulators can run effectively in encouraging the improvement of the quality of MSME products.

The results of the study show that the implementation of the government's role as a regulator in Sepande Village still faces various challenges. From the aspect of product standardization, most MSMEs do not have uniform quality standards, both in terms of taste, size, and packaging, making it difficult to compete in the wider market. This condition reflects the lack of optimal determination and socialization of quality standards by the government. In terms of certification and legality, some tempeh artisan MSMEs do not have official permits such as PIRT, halal, or BPOM, so access to modern markets such as supermarkets or large e-commerce is still hampered. Even though the government has created the I love MSME Sepande Program, namely as a form of attention and support from the Sepande village government to MSMEs with services including making label designs, make business letters, help create NIB, help make halal certification, help capital collaborate with 3rd parties, and promote MSME products.

The results of this study are in line with the findings that identify the role of the government as a regulator in empowering MSMEs in Palu City. In the study, the role of regulators is realized through the establishment of policies and regulations that support the development of MSMEs, although obstacles are still found in their implementation [15]. Similarly, other studies show that the Sidoarjo Regency Cooperatives and Micro Enterprises Office has played a stabilizer role through capital assistance programs with supportive regulations, but there is still a gap between regulations and implementation in the field [16]. These findings also support other research that states that many MSME actors still do not understand access to banking regulations or the administrative requirements needed for their business development [17]. From the perspective of the Government's Role Theory, the function of regulators does require a balance between setting strict standards to ensure product quality and ease of access for micro and small business actors. This shows the need for a reformulation of a regulatory approach that is more adaptive and responsive to the characteristics of MSMEs at the village level.

2. Facilitator Indicators

The role of the government as a facilitator in the context of improving the quality of MSME products refers to the government's function to provide facilities, infrastructure, and supporting services that allow business actors to develop the capacity and quality of their products. As a facilitator, the government is not directly involved in the production process, but rather creates conducive conditions for MSMEs to develop

through the provision of access to training, certification, capital, technology, and marketing networks. Facilitator indicators include the government's ability to provide learning platforms, connect MSMEs with supporting institutions, facilitate access to a wider market, and provide information technology infrastructure that supports the digitalization of MSMEs. This role is crucial because MSMEs often have limitations in accessing the resources and information needed to improve the quality of their products independently.

The following results of interviews with MSME actors show that:

"Alhamdulillah, the training from the government is very helpful, sir. I learned how to manage business finances correctly and how to sell online. But if you ask me to practice on your own, you are still confused. My cellphone is still an old one, if you make product photos or upload it to social media, I like errors. Then capital is also limited, so it is difficult to buy better equipment."

Based on field conditions, MSME actors in Sepande Village admitted that government support as a facilitator has had a positive impact, government-facilitated certification is considered to help increase the selling value of products, but the procedure is still considered complicated and takes a relatively long time. Entrepreneurs also appreciate the capital assistance program, although administrative requirements are sometimes an obstacle for business actors with limited levels of education. They hope for more intensive and sustainable assistance, especially in terms of online marketing and product innovation, as well as simplification of bureaucratic procedures to access various government programs.

Table 2. Training Program for MSMEs in Sepande Village

No	Activities	Year of implementation	Information
1	Business management training program	2023	Increasing the Capacity of MSME Actors
2	Product certification program	2022-2024	Cooperation between the Health Office and the Trade Office in improving product quality standards
3	MSME digitization program	2023-2024	adaptation to the development of digital technology in collaboration with the Communication and Informatics Office and the SME Office
4	Product exhibition through MSMEs Sidoarjo Expo	2023-2024	Providing wider market access for local business actors
5	Establishment of MSME cooperatives	2022	Institutional facilitation to improve production cost efficiency

Source : Sepande Village Government (2025)

Table 2 above shows the implementation of the role of government facilitators in the form of structured programs as stated in the Data indicates that the government has made efforts to provide comprehensive facilitation, ranging from the aspects of human resource capacity, product legality, technology, market access, to business institutions

The Sidoarjo Regency Government has carried out the role of facilitator quite well in improving the quality of MSME products in Sepande Village. The role of facilitators is reflected through the provision of various systematic and structured training programs, certifications, capital assistance, digitalization, and market access. However, the effectiveness of the role of facilitators is still limited by several factors, namely the limited coverage of programs that are not evenly distributed to all MSME actors, the gap in technology literacy and management among small entrepreneurs, and the lack of continuous post-training assistance. Nevertheless, the facilitation efforts that have been carried out have a positive impact in the form of increasing the awareness of MSME actors on the importance of product quality, business legality, and digital marketing. To optimize the role of facilitators, improvements are needed in terms of simplifying bureaucratic procedures, increasing the intensity of mentoring, and adjusting programs to the specific needs of MSME actors at the *grassroots level*.

The results of this study are in line with the Government Role Theory which places facilitators as one of the main functions of the government in economic development. In the context of MSMEs, the role of government facilitators has proven to be crucial in creating an ecosystem that supports improving product quality through providing access to resources, information, and networks needed by business actors. The findings of the study show that government facilitation in the form of training, certification, and digitalization has helped MSMEs in Sepande Village increase production capacity and market access, although there are still implementation challenges. This confirms the theoretical proposition that the government as a facilitator plays a role in reducing the structural barriers faced by small business actors, especially in terms of access to knowledge, technology, and markets. However, the findings also show that the effectiveness of the role of facilitators is highly dependent on the quality of program implementation and the adaptability of MSME actors to the facilitation provided.

The results of the study show that the Sidoarjo Regency Government has carried out the role of facilitator quite comprehensively through various concrete programs. Conditions in the field show that there are systematic efforts to facilitate the improvement of the quality of MSME products in Sepande Village. The government has provided business management training facilities, MSME digitalization, and product assistance involving related agencies and academics. In addition, the facilitation of halal certification and PIRT for food and beverage products has helped increase consumer legitimacy and trust in local MSME products. The business capital assistance program through grants and soft loans also shows the government's commitment to facilitating access to capital for micro business actors. However, implementation in the field still faces challenges in the form of limited program coverage, technology literacy gap among

MSME actors, and lack of sustainable assistance that causes the impact of programs to be suboptimal.

The findings of this study have similarities with the results of research on the role of the Palu City Government in empowering MSMEs, especially in the facilitator aspect [15]. The second study shows that local governments have tried to carry out the function of facilitators through the provision of training, mentoring, and access to capital for MSME actors. However, there are differences in the geographical context and characteristics of MSMEs faced. In Sepande Village, the focus of facilitation is more emphasized on the traditional food industry such as tempeh and tofu, while Ruli et al.'s research is more general on various MSME sectors. Another similarity lies in the challenges of implementation, where the two studies identified a gap between the designed program and the real needs of MSME actors. A significant difference lies in the digitalization approach, where research in Sepande Village shows more intensive digital marketing facilitation efforts in response to the development of e-commerce technology, while Ruli et al.'s research focuses more on conventional facilitation.

The results of this study strengthen the findings about the role of the Sidoarjo Regency Cooperatives and Micro Enterprises Office as a facilitator, especially through business clinic programs and marketplace platforms. The consistency of these findings shows that the Sidoarjo Regency Government has a sustainable commitment to facilitating MSMEs through service and technology innovation [16]. Meanwhile, research on clustering models to improve the quality of MSME products provides an additional perspective that government facilitation needs to be directed at the formation of business clusters and technology content integration to increase competitiveness [17]. The findings of the research in Sepande Village show that although the government has facilitated digitalization and the formation of cooperatives as a collective forum, the clustering and technology integration approach has not been fully optimal. This indicates that the role of government facilitators can still be improved through the adoption of clustering and quadruple helix models that involve synergy between government, academia, industry, and society as suggested in Rodiyah's research. The three previous studies emphasized that the role of government facilitators is the key to the success of MSME empowerment, but it requires continuity, innovation, and adaptation to technological developments and market needs.

3. Explanation of Dynamizer Indicators

The government's role as a dynamizer in the context of improving the quality of MSME products is the government's function to mobilize, encourage, and motivate business actors to be more active in developing their businesses. As a dynamizer, the government is tasked with creating a conducive climate for the growth of MSMEs through various innovation programs, inspiration, and encouragement of change towards better business practices. This indicator includes the government's efforts to motivate MSME actors to continue to innovate, increase production capacity, adopt new technologies, and encourage transformation from conventional methods to modern business practices that are more efficient and competitive.

The condition of MSMEs in Sepande Village shows that there is a dynamic of positive change in response to the government's role as a dynamizer. Field observations show that most MSME actors, especially producers of tempeh, lontong, written batik, and processed products, have begun to show awareness to make changes in production and marketing aspects. The village, which is dubbed as the "Village of 1000 MSMEs", shows the existence of a collective movement towards business modernization, even though it is still in the transition stage. Some business actors began to adopt simple technology in the production process and began to consider the importance of standardizing product quality. This change can be seen from the efforts of several MSMEs who have started to improve product packaging and try to market their products through social media, even though the implementation has not been evenly distributed across all business actors.

The results of the interview with the Head of Sepande Village explained that:

We as the village government act as a driving force for MSME actors here. Since 2022, we have launched various programs to encourage their mindset change. The MSME digitalization program that we are implementing in 2023-2024 has succeeded in reaching 150 business actors. We also formed an MSME cooperative with 200 members to encourage collaboration and production efficiency. The proudest thing is to see the change in their perspective. In the past, they only focused on production, now they are starting to think about branding, attractive packaging, and online marketing. Indeed, not everything changes immediately, especially senior business actors who are still comfortable with the old way. But we continue to provide personalized and ongoing assistance. As a result, now many MSMEs already have social media accounts and actively participate in product exhibitions to expand the market network."

The programs that have been implemented by the government as a dynamizer can be seen from the following table:

Table 2.

No	Program Dinamisator	Goal	Era	Expected Results
1	MSME Digitalization Training	150 business actors	2023-2024	Adoption of e-commerce and social media
2	Product Mentoring Program	75 food MSMEs	2023	Improved quality standards
3	Formation of MSME Cooperatives	200 members	2022	Collective production efficiency
4	Product Exhibition Facilitation	50 MSMEs	2023	Expansion of the market network

Source : Sepande Village Government (2025)

This data shows that the government has made efforts to mobilize MSMEs through various programs designed to encourage change and innovation. The MSME digitalization program is a tangible form of the role of dynamizers that seeks to encourage digital transformation in traditional business actors.

The government's role as a dynamizer has shown a positive impact, although there are still challenges in its implementation. The MSME digitization program has succeeded

in inspiring some business actors to start using social media in marketing their products, which previously only relied on traditional markets. The establishment of MSME cooperatives has also encouraged the creation of solidarity and collaboration between business actors, so that they can share experiences and motivate each other in developing businesses. However, there is still a gap in terms of program absorption, where MSMEs with a larger business scale tend to be more responsive to innovation programs compared to micro businesses that still rely on conventional methods.

Evaluation of the effectiveness of the government's role as a dynamizer shows encouraging results but still requires improvement in implementation strategies. The success of the program can be seen from the increasing awareness of MSME actors about the importance of product quality and modern marketing. Some success indicators include an increase in the number of MSMEs that have social media accounts for marketing, increased participation in product exhibitions, and the formation of a cooperation network between business actors through cooperatives. However, the challenges that are still faced are the low level of digital literacy of some business actors, limited capital for the implementation of innovations, and lack of consistency in the implementation of product quality standards that have been taught through training programs.

The results of this study are in line with the findings that show that the role of the government as a dynamizer is very important in empowering MSMEs through programs that are able to mobilize and motivate business actors [15]. The research also supports these findings by showing that the role of innovators (who are part of the dynamizers) through digital platforms such as "Tukuo Yuk" has successfully encouraged MSMEs to adapt to digital technological advancements, especially in terms of promotion and sales [16].

4. The Role of the Government as a Protector

The role of the government as a protector in the context of MSMEs refers to the government's function to provide protection, ensure business security, and create an environment conducive to the sustainability and development of micro, small, and medium enterprises. As a protector, the government is responsible for protecting MSMEs from various external threats such as unfair competition, monopoly practices, and providing legal certainty through supportive regulations. This protection also includes aspects of business legality, product standardization, quality assurance, and consumer protection which will ultimately increase the credibility and competitiveness of MSME products. In an effort to improve product quality, the role of government protectors is realized through the provision of certification, quality standardization, protection of intellectual property rights, and the creation of regulations that favor the interests of MSMEs without harming consumers and other business actors.

The condition of MSMEs in Sepande Village shows that most business actors are still facing challenges related to legality and product standardization. Based on field observations, many MSMEs engaged in the processed food sector such as tempeh, tofu, lontong, and other home products do not have official permits such as PIRT (Household

Industrial Food), halal certification, or BPOM registration. This condition makes it difficult for Sepande Village MSME products to access modern markets such as supermarkets or large e-commerce platforms that require product legality. In terms of standardization, most MSMEs do not have uniform quality standards, both in terms of taste, size, and packaging, so product quality is inconsistent. However, there are efforts from several MSME players who are beginning to realize the importance of legality and standardization to increase the competitiveness of their products in the wider market.

Results of the interview with the Head of Sepande Village:

As a village government, we understand very well that MSME actors need protection, especially in terms of product legality. So far, many food MSMEs such as tempeh, tofu, and lontong producers do not have PIRT permits or halal certification. This is certainly a big obstacle to penetrating the modern market. We have been working with the Health Office and the Sidoarjo Regency Trade Office to facilitate product certification programs since 2022. Through Regional Regulation Number 14 of 2022, we have a strong legal basis to protect MSMEs. We have also formed an MSME cooperative in 2022 with 200 members to strengthen their bargaining position. The most important thing is protection from unfair competition. That's why we support the local marketplace platform 'Tukuo Yuk' so that local products can continue to compete. But indeed, the challenge is that socialization is still not intensive and the bureaucratic process is still considered complicated by business actors. We continue to work to simplify procedures and provide direct assistance."

The Sidoarjo Regency government's efforts in providing protection to MSMEs through various programs listed in the government support table. The product certification program facilitated by the Health Office and the Sidoarjo Trade Office for the 2022-2024 period is a tangible manifestation of the government's protective role. Through this program, the government seeks to protect consumers while increasing the credibility of MSME products by providing halal and PIRT certifications. Data also shows that there is a business capital assistance program through the Village Fund in 2023 which provides financial security guarantees for MSMEs. The establishment of MSME cooperatives carried out by the Cooperative Office in 2022 is also a form of collective protection that can strengthen the bargaining position of MSMEs in the market. However, the data also indicates that not all MSMEs have equal access to the protection programs provided by the government.



Figure 2. Halal Certification Program from the Sidoarjo Regency Government
Source : <https://www.sidoarjokab.go.id/berita/detail/1750381101/next> official website of the Sidoarjo Regency Government (2025)

The role of government protectors in improving the quality of MSME products in Sepande Village faces several significant challenges. First, the complexity of bureaucratic procedures in managing product legality is still the main obstacle for MSME actors who generally have a limited level of education and administrative literacy. Second, the limitation of human resources in government agencies causes the certification and legalization process to take a relatively long time. Third, the lack of intensive socialization about the importance of product legality makes many MSME actors who are not aware of the urgency of having an official permit. Fourth, the costs that must be incurred for the certification process, even though it has been facilitated by the government, are still considered burdensome for MSMEs with limited capital. Fifth, weak supervision of the implementation of quality standards causes not all certified products to maintain their quality consistently.

The Sidoarjo Regency Government has made various efforts to protect and improve the quality of MSME products in Sepande Village. These efforts include the establishment of regulations that support MSMEs through Sidoarjo Regency Regional Regulation Number 14 of 2022 concerning the position, organizational structure, duties and functions of the Cooperatives and Micro Enterprises Office. The government also provides protection through product assistance programs involving related agencies and academics to ensure that product quality is maintained. Facilitation of product exhibitions that are carried out regularly provides market protection for local MSMEs by

creating a special promotional space. In addition, the MSME digitalization program is also a form of protection from technology lag that can help MSMEs remain competitive in the digital era. The establishment of local marketplace platforms such as "Tukuo Yuk" also provides market access protection for Sidoarjo MSME products.

The government's role as a protector in improving the quality of MSME products in Sepande Village has been carried out through various comprehensive programs and policies, but it still needs improvement in terms of implementation and reach. The Sidoarjo Regency Government has shown a strong commitment to protecting MSMEs through certification facilitation, capital assistance, the establishment of supporting regulations, and the creation of collective forums such as cooperatives. However, the effectiveness of this protective role is still hampered by bureaucratic complexity, limited socialization, and uneven access to programs for all MSME actors. The quality of MSME products in Sepande Village has gradually improved, especially in terms of legality and standardization, although there is still a gap between the programs offered and the real needs in the field. The role of government protectors has proven to have a positive impact on the credibility and competitiveness of MSME products, but it needs to be strengthened with a more adaptive and sustainable approach.

The results of this study are in line with the theory of the role of the government put forward in the theoretical framework, where the protective function of the government is very important in creating a conducive business environment. Comparison with the research shows similarities in terms of the importance of the government's role as a protector through regulations and policies that support MSMEs [15]. However, research in Sepande Village shows more specific challenges related to the standardization of traditional food products. Research on the efforts of the Sidoarjo Regency Cooperatives and Micro Enterprises Office also supports the finding that the role of protectors is realized through capital assistance programs and marketplace platforms that provide guaranteed market access [16]. Meanwhile, research on clustering models to improve the quality of MSME products strengthens the argument that government protection must be integrated with increasing product competitiveness. The difference between this study and previous studies lies in the specific focus on the aspect of product quality protection in villages with the characteristics of traditional industrial centers, which requires a more adaptive protective approach to the uniqueness of local products and the limited resources of MSME actors [17].

5. Indicator Promoter

The government's role as a promoter in the context of improving the quality of MSME products refers to the government's function in promoting and introducing MSME products to a wider market. As a promoter, the government is tasked with raising the image and brand awareness of local products, creating a platform to introduce MSME products, organizing promotional activities such as exhibitions and festivals, and building a marketing network that can expand market reach. The function of this promoter is very strategic because MSMEs generally have limitations in terms of capital for promotion and access to effective promotional media. Through the role of promoters,

the government can become a bridge between MSME products and potential consumers, both at the local, regional, and national levels.

Based on field observations in Sepande Village, the government's role as a promoter has begun to be seen through various initiatives to promote MSME products. The village, which is known as the "1000 MSME Village", has received special attention from the Sidoarjo Regency Government in promoting its superior products, especially tempeh and tofu which are the main commodities. Promotional activities carried out include organizing district-level MSME Expo events, creating regional e-catalogs containing Sepande MSME products, and developing educational tourism potential that also promotes local products. However, there is still an inequality in the intensity of promotion, where tempeh and tofu products receive a larger portion of promotion than other MSME products such as lontong, written batik, salted eggs, and opak gambir.

Based on the interpretation of the results of interviews with various stakeholders in Sepande Village, it was revealed that MSME actors really appreciated the promotional efforts made by the government, but they also faced several obstacles. Tempeh and tofu entrepreneurs stated that participation in district- and provincial-level exhibitions has helped increase the visibility of their products, although the impact has not been fully felt in significantly increasing turnover. Meanwhile, MSME actors in other sectors complained about the lack of opportunities to be involved in promotional activities organized by the government. They hope for a fairer rotation or quota system in participating in promotional activities. From the village government's side, it is recognized that budget and human resource limitations are obstacles in carrying out more intensive and equitable promotion for all types of MSME products in the village.



Figure 3. MSME Exhibition with the Regent of Sidoarjo

Source : <https://www.sidoarjokab.go.id/berita/detail/1738575228/next> (2025)

The government's role as a promoter still faces various challenges that need to be overcome immediately. First, the limitation of the promotional budget causes promotional activities to not be carried out intensively and sustainably. Second, the lack of human resources who have competence in the field of marketing and promotion at the village and sub-district levels. Third, the use of digital media and online platforms for the promotion of MSME products has not been optimal, even though the current digital era

demands a more modern and integrated promotional strategy. Fourth, coordination between agencies in promotional activities is still not optimal, so there is often overlap of programs or conversely, there are missed segments. Fifth, the lack of accurate data and market research to determine the right promotional targets, so that the effectiveness of promotional activities has not been maximized.

Results of interviews with MSME Actors:

I really appreciate the efforts of the village government in promoting MSME products. When there was a district level MSME Expo yesterday, I had time to participate and got quite a lot of attention from visitors. But if I'm honest, the impact on turnover is not too significant. Maybe because my written batik is still less popular than tempeh and tofu which are indeed the mainstay of the village. I hope that the government will help promote through social media or online marketplaces. I myself don't really understand how to promote digitally, so I need training help. The important thing is that not only tempeh tofu is promoted, but all village MSME products get the same opportunity to develop."

Despite facing various challenges, there is a great opportunity to optimize the government's role as a promoter. The potential for educational tourism in Sepande Village can be used as a unique and sustainable promotional platform, where tourists not only visit but also have the opportunity to buy MSME products directly. The development of digital technology opens up opportunities for more effective and efficient promotion through social media, marketplaces, and e-commerce platforms. Cooperation with the private sector, such as hotels, restaurants, and supermarkets, can expand the reach of promotions and open up opportunities for sustainable supply contracts. *Corporate Social Responsibility* (CSR) programs for large companies can also be used as a source of funding for promotional activities. In addition, the potential for cooperation with universities in the form of community service programs can provide human resource support and expertise in designing more effective promotion strategies.

Discussion

Based on the analysis that has been carried out, it can be concluded that the government's role as a promoter in improving the quality of MSME products in Sepande Village is quite good but still needs improvement and optimization. These findings are in line with the theory of the role of the government put forward in previous research, where the government has a vital function as a promoter in raising and introducing MSME products to a wider market. The research confirms the importance of the role of government promoters in empowering MSMEs, which is also seen in the case of Sepande Village [15]. However, the implementation of the role of promoters requires innovation and a more comprehensive approach [16]. The research [17] also emphasizes the importance of technology integration in the promotion of MSMEs, which is still a challenge in Sepande Village. Therefore, a more integrated, sustainable, and equitable strategy is needed in carrying out the role of promoters in order to have a more significant impact on improving the quality and competitiveness of MSME products in Sepande Village, Sidoarjo.

CONCLUSION

Fundamental Finding : The Government of Sidoarjo Regency and Sepande Village has actively engaged in five key roles to improve the quality of MSME products: Regulator (facilitating market access and product innovation via legal frameworks), Facilitator (providing learning platforms, connecting MSMEs with supporting institutions, and market access), Dynamizer (providing IT infrastructure for MSME digitalization), Protector (through product certification programs facilitated by the Health and Trade Offices), and Promoter (via programs like "I Love Sepande MSMEs," product certification, digitalization, cooperative formation, and MSME Expos). **Implication :** The various governmental efforts across the five roles demonstrate a comprehensive, multi-faceted approach to supporting MSMEs. The range of programs suggests a robust framework is in place to enhance product quality, formal market access, and digitalization, which are crucial for improving the competitiveness of MSME products. **Limitation :** The implementation of these five roles is currently facing significant challenges that hinder their maximum impact. These limitations include complexity of bureaucratic procedures, low technology literacy and management skills among MSME actors, unequal socialization of programs, and suboptimal coordination between agencies. **Future Research :** Future studies should investigate strategies to streamline bureaucratic procedures and enhance inter-agency coordination. Research is also needed to develop targeted training programs to improve technology literacy and management capabilities for MSME actors, ensuring more equitable and widespread socialization of government initiatives for maximum impact on product quality and overall competitiveness.

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