



Collaborative Planning Between Village Governments, Investors, and Communities as a Solution to MSME Development Problems (Case Study in Cimarias Village, Pamulihan District, Sumedang Regency)

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ABSTRACT

Collaboration is working together, especially to combine ideas. This follows the definition of collaboration, namely, as a network or distribution of information, resources, activities, and organizational capabilities in two or more sectors to achieve goals that cannot be achieved if working alone. This type of research is qualitative research with an analytical-descriptive approach. Collaborative planning between the village government and the community regarding the empowerment of MSMEs originating from the Cimarias Village Fund Allocation and funds from investors. The data collected comes from the results of interviews and observations consisting of primary data and secondary data. From the research results, it can be seen that the development of MSMEs carried out by the Cimarias village government consists of several things, namely: 1) Training for MSME actors; 2) Exhibition of agricultural products; 3) Provision of capital in the form of equipment, and 4) issuance of business regulatory licenses; and 5) Providing capital for small business actors.

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1. Introduction

Based on the Circular of the Sumedang Regent regarding the provision of Village Fund Allocation Assistance (ADD) to the Village Government, the Sumedang Regency Government regulates village development towards village independence with the participation of the entire community required to realize the ideals of regional development. The purpose of the Village Fund Allocation is for equitable development, and increasing community participation, welfare, and services to rural communities through large-scale development with the determination of the amount of Village Fund Allocation for all villages stipulated in the Regency Regional Revenue and Expenditure Budget (APBD) every fiscal year based on the source of district revenue. (Antono, Ngalimun, Weningsih & Satyawan, 2021; PrawiraW et al., 2021).

The implementation and development of villages in Law Number 6 of 2014 concerning Villages Article 1 paragraph (12) are shown by empowering rural communities to develop community independence and welfare by increasing knowledge, attitudes, skills, behavior, abilities, awareness, and utilizing natural resources. Resources through the determination of policies, programs, activities, and assistance following the essence of the priority problems of the needs of the village community. However, the government's community empowerment programs that have been implemented show a more top-down approach (Abidin, Bambang & Wijayanto, 2014).

The determination of the Village Fund Allocation based on the Regional Regulation and the Regent's Circular regarding Sumedang Regency, especially Cimarias Village, has specific challenges in pursuing regional growth and community economic development. The main challenge is the gap in various fields, both infrastructure and social. The gap that occurs is caused by the current policy direction and development priorities of the Cimarias village area. The broad area of the Sumedang district makes it difficult for distribution and development. Likewise, policies and development priorities in Sumedang Regency, which are directed at various regions that have strategic value from an economic and political point of view, have caused small areas that lack high economic and political value to be neglected.

Suppose you look at the Village Fund Allocation program implemented by the Sumedang Regency Government. In that case, there is no element of political interest, and the Village Fund Allocation program is implemented to assist the community, especially the regional government, in implementing governance and community empowerment. In addition, it is one of the efforts of the local government to invite all levels of society to participate in development and empowerment activities as well as the implementation of cooperation, especially the problem of empowering MSMEs as one of the pillars of the village economy (Arliman, 2017; Sidiq & Maulida, 2021). The lack of community participation in community empowerment is due to the rolling program that is not following the conditions of the community, where human resources are an essential element in the success of this program. In this case, empowerment agents are required to carry out joint planning between the needs/potential of clients/targets with the agency's agenda/programs (Cahyono, 2020). So the government must find another way to empower the community's economy, namely with Collaborative Planning (Astuti & Suaedi, 2018; Sidiq & Achmad, 2020; Sidiq et al., 2021).

So that in implementing efforts to increase economic growth, the government requires collaboration with the private sector or the government in the process of combining the plans of the two parties. The government has done planning, which will then be collaborated with plans made by the private sector (Colfer, 2012). The planning results that the two parties have prepared will then be proven whether there are similarities in the results of the formulation of the planning to determine the goals to be achieved in the implementation of activities (De Kloning, Nguyen, Lockwood & Phommasane, 2017).

Furthermore, in Law Number 6 of 2014 concerning Villages, article 83 paragraph (3) Part D: empowering rural communities to improve access to services and economic activities, whose communities must directly participate in the

empowerment process for village progress and independence in achieving prosperity together. Therefore, empowering rural communities is one of the essential strategies for village development to improve the welfare and quality of villagers and reduce poverty by meeting the basic needs of rural communities. The allocation of village funds is calculated based on the number of villages and is allocated, taking into account the population, poverty rate, area, and level of geographical difficulty. In a letter regarding Sumedang Regent Regulation Number 36 of 2020 concerning Amendments to Sumedang Regent's Regulation Number 145 of 2019 concerning Procedures for Distribution and Determination of Village Fund Allocation Details for each 2020 FY Village, Cimarias village received an allocation of Rp. 851.743.000,-

The development of MSMEs in this village also requires a comprehensive policy. Policies related to planning, implementation, and supervision are essential keywords that must always be held in village economic development (Inoue, 2011). Development policies must also be based on fundamental principles, namely: 1) Benefit and sustainability; 2) Creative and participatory; 3) Efficient and effective; and 4) Social justice (Hamdi, Nurjanah & Handayani, 2014).

2. Method

This type of research is qualitative research with an analytical-descriptive approach where the results of this study are described clearly and in detail, namely providing a comprehensive picture of collaborative planning between the village government and the community regarding the empowerment of MSMEs originating from the Cimarias Village Fund Allocation and funds from investors, especially regarding the form of community participation and aspects related to the planning and implementation of the collaboration. The selected observation area is Cimarias Village. This determination is based on consideration of the diversity of types of work, the diversity of education levels, and the heterogeneity of the community.

The types of data used are primary data and secondary data. Primary data sources were selected purposively, both those related to the area and the informants to be interviewed. Gathering information related to government programs will be asked by planning agencies in government institutions. Meanwhile, information related to the implementation and other information deemed necessary will be asked to informants directly involved in the planning and implementation of the collaboration program (Ji, Dai & Hu, 2013). The secondary data needed in this study are data related to collaborative community planning in Cimarias Village regarding the economic aspects of MSME empowerment and its implementation.

3. Result and Discussion

Based on the Sumedang Regency BPS data, Cimarias village is included in the classification of advanced self-help villages. The area's geography is also very supportive because the land surface is in the form of mountains with an altitude above 875 meters above sea level, consisting of 6 Pillars of Residents and 33 Rukun Neighbors. The total area of Mekarbakti Village is about 409.6 hectares, with an agricultural land area of 4,772 km².

In terms of the area's topography, this village is located east of the alternative route crossing and is located in the western part of the mountains. The total population in this area is inhabited by around 3,522 people, with a density of 738.36 people/km². In addition to working in the agricultural sector, residents also work in the industrial sector as laborers or employees; some even work in the livestock sector, especially cattle farming. However, the agricultural sector is very productive in this village, for example producing sweet corn and hybrid corn, large chilies, cayenne pepper, red beans, sweet potatoes, and peanuts.

3.1 MSME Development by the Cimarias Village Government

Cimarias village has a lot of potentials, trying to be developed by the local government. This, of course, needs to be supported by the community and Cimarias village leaders to increase community skills. The developments include:

Training for MSME actors. Training is helpful to improve the skills of MSME actors so that they can create products that are competitive in the market. Training for MSME actors is one of the Sumedang Regency Industry and Trade Cooperative Service strategies in fostering and developing MSMEs (Keyim, 2018). Training involves acquiring skills, concepts, rules, or attitudes to improve skills. Training is essential because it helps increase knowledge or skills, especially for micro, small and medium business actors, increasing productivity (Khanidah, Sihidi & Hadi, 2020). The training provided by Koperindag serves to improve skills in the production and managerial processes. Productivity can increase if skills in the production process also increase. In addition, training can also improve problem-solving skills so that things that interfere with productivity can be addressed immediately. The last training provided is new entrepreneurship training that can produce prospective entrepreneurs who can make their own processed products that can be valuable and able to compete in the market.

As for the obstacles faced by MSME actors, the most frequent obstacle experienced by MSME actors is in terms of marketing. This was revealed by MSME actors when the training was held. So then, it can be concluded that the level of anxiety of MSME actors is more significant for the marketing of their products.

Exhibition of agricultural products. This exhibition is intended to overcome the marketing of agricultural products, which is relatively abundant. The exhibition is one form of the marketing strategy by the Cimarias village government, which is quite effective in attracting many consumers. For startup businesses, exhibitions are the right marketing tool to introduce products and promote them. Not only about the product, but the business profile is also essential to educate the public, in this case, the visitors. The image of a good business owner also determines consumer interest and loyalty to a product.

Provision of capital in the form of equipment. Capital assistance for MSME actors in Cimarias Village is essential for a business to run when there is capital. Starting a business, the determining factor is in the form of capital assistance. Capital assistance for MSME actors facilitated by the village government, in this case, comes from the Village Fund Allocation, which is the result of deliberations that stipulate that there is assistance in the form of equipment and assistance in the form of training. Capital is something that is needed in a business. One of the main things in a business is capital (Rahadhini, 2012). Without

capital, a business is difficult to face competition because, with business capital, it can provide innovation in the production of business results. The conclusion is based on interviews that assist comes from the Cimarias Village Fund Allocation in the form of training and assistance with equipment and business locations (Rakhmawati, 2019). The government only emphasizes the ease of obtaining a place of business and capital assistance in equipment and training. However, the results of this deliberation have not been realized to date because the funds have been allocated to other sectors.

Make business regulatory permits. One of the policies issued by the government is Government Regulation Number 23 of 2015 concerning Changes in the Authority of the Regent to the Camat that for micro, small, and medium business licensing is directly handled by the Camat. The issuance of the government regulation is a follow-up to Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises as the legal basis for MSMEs. So that with the delegation of authority, the village head currently must serve the community or business actors in making business permits. This aims to make the distance between the bureaucracy and the community narrower so that there is no more awkwardness by the community to the government, even with existing policies as media and guidelines in obtaining information related to the development of MSMEs in Cimarias village. This program also aims to improve the competence of micro and small enterprises (UMK) run by the community to become strong and independent businesses. Through this program, every MSE that has developed is also expected to absorb labor from the local community so that they can earn income.

Small business loan. The procedure for applying for a loan is through the following ways: 1) Filling out a loan application form, and 2) Submit a completed loan application form accompanied by the following administrative documents. Photocopy of Business Certificate and Residential Domicile Certificate from Cimarias Village, Photocopy of ID Card and Family Card, applicant and successor of each obligation as much as 1 (one sheet; Photographs of the Applicant and the Successor of Obligations measuring 4x6 cm, 2 (two) pieces each; Product photos, photos of business premises and photos of business activities, 3 (three) different sheets; Plan of business location and residence; and Photocopy of Savings Book.

3.2 Planning Collaboration

a. Maintaining Continuing Leadership Among Engaged Parties

The role of the state and the role of the private sector are united in the same mission. Community development must be an essential part of state-owned companies because the government (the state), which incidentally is in charge of improving the community's welfare, becomes its shareholder.

In this case, the Cimarias village government, the village community cooperates with investors as fundholders to help MSME actors who need capital to continue their business. Maintaining the continuity of leadership among the parties involved is very important because it will continue to be sustainable. Before collaborating, of course, a plan is needed so that the implementation of MSME development can run well.

The obstacle is that sometimes there is miscommunication or lack of communication to manage the names of MSMEs that want to be assisted. However, in essence, data collection on the number of MSMEs has become the authority of the village government. So, any MSMEs entitled to be assisted or which ones are classified as MSMEs that need assistance, the government itself already has the data. On the other hand, investors also sometimes look for MSME actors who are entitled to be assisted. Data and proposal submissions must go through the village government first, and recommendations will be made (Sambodo & Pribadi, 2016).

So, these obstacles usually occur when collaborating between the two parties. However, the leadership, in this case, investors, certainly do not question this. Instead, they look for solutions with the need to maintain communication lines so that they are directed, controlled and the need to communicate as often as possible to discuss plans for providing recommendations for providing capital assistance. This is, of course, very important because to maintain continuity between the parties involved, the nature of egoism certainly needs to be eliminated.

Following the flow of capital assistance, namely: MSME actors submit proposals for capital assistance to the village government in the MSME Sector that has been given; 2) Examination of the proposal is then given recommendations. Recommendations are then given to MSME actors to be forwarded to investors in the Partnership Program section; 3) Reviewing the business location of MSME actors conducted by the village government together with investors whether it is appropriate to provide assistance or not, and 4) The village government decides the determination of the provision of capital.

Based on the available information that provides capital assistance, collaboration is carried out, namely the provision of training. The training provided is part of the collaboration between the two parties. The purpose of the training is to develop the soft skills of MSME actors in managing their business and the business capital provided to be used properly. In general, this is very beneficial for SMEs themselves. The results of the training held would like to see how it develops immediately. However, on the other hand, some obstacles occur when collaborating. However, as explained, there is a need for a process for MSME actors after attending training to create changes such as producing good products. The solution given is that it needs to be given some time so that changes from MSME actors can continue to be reviewed after participating in the training.

3.3 Helping Each Party Who Has The Same Strength

Point Help each party play to its strengths, i.e., each party who both has the power to help each other and puts forward the principle that after collaborating, each party has the authority over what has been obtained from the results of working together. Each party that collaborates is said to have strength because they have the resources, skills, and the best technology.

The human resources in the Industry and Trade Cooperatives service, with 60 people, can manage the number of MSMEs in all Cimarias villages. This is the strength of the village government in collaborating with investors. In addition, the development of MSMEs carried out by the village government with all the efforts made is also a strength because it can improve the quality of businesses owned by MSME actors.

3.4 No Coercion When Collaborating

There is no coercion when the parties collaborate. Based on trust and then committing to achieve a common goal is a sanction when all the resources involved in the effort work together. The Cooperative Service collaborates intending to advance

the business of MSME actors. By having colleagues, the burden of capital will feel lighter because it is shared. In addition, collaborating can exchange ideas in discussing essential matters that significantly impact a goal to be achieved.

Collaborating without being forced is called voluntary. Good collaboration should be voluntary. The collaboration will work well if it is mutually beneficial. Everyone feels lucky. No one feels harmed. Everyone gets their share of the job. Work is divided equally. So, in this case, the parties involved are mutually beneficial. The village government, in terms of helping to alleviate MSME actors who need funds and investors who are willing to provide funds following the criteria and recommendations from the government. The advantage of the collaboration of the parties involved in the provision of capital assistance for MSMEs. In addition, in terms of management aspects where MSME actors are given management training so that with the training provided later, they can know where our weaknesses are and what our weaknesses are. Although sometimes some MSMEs are apathetic and don't want to change even though he has not been able to see out that there are still many competitors outside.

The profit obtained is in the form of loan capital which functions to develop the business it owns. The type of business managed by one of the MSME actors is selling cakes and food; with the assistance obtained by MSME actors, they can add variations to their sales to attract consumers' attention. The loan capital provided will always be evaluated by the investor in this case in the form of reminding the maturity for payment and collection within a predetermined period.

3.5 Flexible Resources

Human resources are required to be able to work in any condition. Even if the condition is sudden, resources must be able to survive. In Linden's theory, the collaborating parties, namely the related resources, can work under any conditions. Resources here have the meaning of employees related to the development of SMEs. Several resources manage the management of MSMEs themselves in the village government. Must be able to work in any conditions because it is the responsibility to give the best to manage Micro, Small, and Medium Enterprises. Collaboration in providing capital assistance with investors is required to provide supervision in terms of the use of capital provided to MSME actors and provide recommendations for the names of MSMEs that are entitled to be assisted (Wicaksono, 2021).

Although human resource capabilities are flexible, the words 'ready' and 'willing' must be instilled from within. No matter how good the capabilities of human resources will not produce maximum output if these abilities are not practical or, in other words, 'not ready to use. In addition, the ability will also mean nothing if individuals as human resources in a company or agency do not want to contribute their business in that place.

4. Conclusion

From the analysis results, it can be concluded that the Cimarias village government has collaborated with investors and the community to provide funds for the development of village MSMEs. The development of MSMEs consists of several things, namely: 1) Training for MSME actors; 2) Exhibition of agricultural products; 3) Provision of capital in the form of equipment, 4) issuance of business regulatory licenses; and 5) Providing capital for small business actors. This collaborative planning has advantages for each party involved, with several conditions: 1) Maintaining continuity of leadership among the parties involved; 2) Help each party who has the same power; 3) There is no coercion when collaborating, and 4) flexible resources.

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