

---

## The Construction of MSMEs by the Agency of Industry, Trade and Cooperatives of North Aceh Regency

Muryali\*, Nurhafni, Aiyub & Ahmad Yani

Department of Public Administration, Universitas Malikussaleh, Aceh Utara, Indonesia

\*Corresponding Author: [muryali.adp@unimal.ac.id](mailto:muryali.adp@unimal.ac.id)

---

### Abstract

MSMEs in North Aceh Regency are very instrumental in helping to overcome problems of poverty and unemployment. The role of the government in the empowerment of MSMEs is expected through coaching. Each MSME has its own potential in developing its business. This MSME needs to be built with the aim to motivate new and old entrepreneurs to be creative in accordance with their respective business fields. This research aims to find out how the construction and obstacles are experienced by the Ministry of Industry, Trade and Cooperatives of North Aceh Regency. In this study use qualitative with deskriptive methods. Research was conducted in North Aceh Regency, the informant was determined by purposive sampling. Data collection with wawancara, documentation studies and skilling. The results showed that the development of MSMEs in North Aceh Regency by the relevant Agency had not been carried out in accordance with expectations, this was due to the lack of professionals owned by the agency. Less participation from MSMEs in improving the ability related to ways to run their business in the modern and digital era.

**Keywords:** MSME Development; North Aceh Regency Government;

---

### Introduction

The existence of MSMEs is part of the national economy that is independent and has the opportunity to improve the economy of the community in order to reduce poverty. Government support in empowering MSMEs. In every region has been done with various efforts to encourage MSMEs to develop. Very good potential for national economic development is very possible to do with the proliferation of MSMEs. if MSME products can be marketed properly, let alone able to be exported then the foundation of the national economy will be stronger (Eniola, 2014; Ogbo, Ogbo, & Nwachukwu, 2012; Toluyemi, Adigbole, & Kasum, 2015). Currently many MSMEs are stopped by their efforts due to various obstacles faced by them. Among them are the decrease in sales due to PSBB, Capital Difficulties, limited sales, and difficult capital turnover (Vina Natasya, 2021).

Capital problems are one of the causes of MSMEs are difficult to develop, but efforts to provide business capital assistance have been carried out by the Government of North Aceh Regency. Social assistance is very good on the progress of MSMEs who are doing their business, (Sugiri, 2020), (Iping, 2020). The phenomenon that occurs in Aceh Regency is different from the results of research that has been conducted by practitioners and academics, that there are many MSMEs in North Aceh Regency who have gained capital, but are unable to develop, there are even MSMEs that have gone out of business or their business has stopped. Based on this phenomenon, the provision of capital assistance does not necessarily guarantee MSMEs are able to develop or be able to be independent. Related to this, that to support MSMEs, not only provide capital, but also need to foster MSMEs, both MSMEs that have been given capital and MSMEs that have not received assistance from the government. Coaching aimed at MSMEs the goal is to change behavior, improve its performance, for skills development and ability development in managing its business, (Mathis 2002:112), (Ivancevich, 2008:46). In general, MSMEs in North Aceh Regency in carrying out their business there are limitations in planning, organizing, and controlling. This

escaped the attention of the government. then the development efforts against MSMEs in North Aceh Regency became those that were assessed by the Ministry of Industry and Cooperatives of North Aceh Regency.

### **Literature Riview**

Construction is a strategis option in creating independent MSMEs. With continuous and consistent coaching, it will be able to improve skills and abilities in planning, organizing and controlling their business for MSMEs. Coaching is one part of one's self-development, both through formal and non-formal education in order to guide, educate, and foster motivation to advance in accordance with talent and potential, (Simajuntak, 1990). In coaching there are several approaches taken, namely informative shorts, participatory approaches, and experiansial approaches, (Mangunhardjana, 1986).

### **Methods**

This study uses a qualitative approach with the aim to find out the phenomenon of MSME development in North Aceh Regency. The focus of this research is related to the approaches of MSME development carried out by the Ministry of Industry and Cooperatives of North Aceh Regency. Informants in this study come from among the government and MSME actors. The data collection techniques carried out in this study are through in-depth interviews, observations and using the domumentation needed as supporting data of this study. Analyze data using several steps according to Huberman (2014) models ranging from the stages of data collection, data compaction, verification and depiction of conclusions.

### **Results And Discussion**

#### **Construction of MSMEs by the Ministry of Industry, Trade and Cooperatives of North Aceh Regency**

The proliferation of MSMEs in self-employment is a hope for the government in encouraging economic growth to improve the welfare of the community. Based on the results of research and discussion that the existence of MSMEs in North Aceh Regency is increasingly concerning for the sustainability of their business. Based on this, the development of MSMEs becomes one of the annual work programs with a view to encouraging the development of entrepreneurs both small and medium. The coaching carried out by the government on MSMEs so far is more about training training related to the practice of running a business. Moreover, during this change-a very significant change in the modern era. Participants invited in the training are for active MSME actors from various sub-districts. The number of MSMEs currently active in North Aceh Regency is 37 MSMEs with varied businesses. Speakers who provide training are selected according to training needs. Any training that is suppressed to MSMEs is to adjust their products and management procedures with changes from traditional models to modern all-digital. Because in the current era that is all digital, it needs adjustments to be able to compete with the outside world. Many business people who come to the area now by managing their business based on digital, this is feared will be a disaster for local business actors. So in every human resource training is also the main concern for the development of MSMEs. In general, MSMEs are only middle educated. The types of coaching that have been done are: The field of production, the field of marketing, the field of cash bookkeeping, the field of human resource development related to technology.

#### **Constraints of the Ministry of Industry, Trade and Cooperatives of North Aceh Regency in the Development of MSMEs**

One of the goals of MSME development is to maintain MSMEs who are doing their business. As well as to improve the ability for them in facing the era of globalization. Successful construction if the goal is in line with the expected. The desire of the government is that this development can be useful to MSMEs in the form of increased capabilities for MSME actors when running their business. This can be proven if the existence of MSMEs is able to absorb labor, can increase the economy of the community in the villages. But in the process of msme development carried out by the North Aceh regency government has experienced some obstacles, although the construction process is carried out in accordance with the prosuder and applicable rules. The obstacles faced

include the limitations of companion personnel and extension personnel. Another obstacle faced by the agency is from MSME actors who do not yet have awareness of the importance of training. It has become a tradition that training is an activity that is not beneficial for participants and does not affect them in carrying out their business. Less participation from them as MSMEs in any training. This is the cause of one of the lack of made training–training related to self-employment.

### Conclusion

Based on the results of research and discussion that the development of MSMEs in North Aceh Regency is still less effective, because the industrial service does not have professionals in the field of entrepreneurship, every training and assistance of the agency must use the services of third parties, so that the limitations in providing assistance to MSME actors. In addition, the obstacles that are experienced are from the msme actors themselves still lack the desire to follow the training, even MSME actors are still more inclined to run their business with traditional methods.

### Suggestion

Based on phenomena and facts, the author's advice is as follows:

1. Updated coaching methods, from in-door training methods to out-door training. This is so that they are not saturated with learning methods only to hear material, but they are directly involved in practice.
2. Facilitate MSMEs in obtaining capital from other institutions with government guarantees.

### References

- Eniola, A. A. (2014). *The Role of SMEs Performance in Nigeria*. Arabian Journal of Business and Management Review (Oman Chapter), 3(12), 33-47
- Huberman, Miles, (2014). *Qualitatif Data Analysis, Third edition*, SAGE Publication.Inc, ISBN 978-1-4522- 5787-7
- Iping, Baso. (2020). *Perlindungan Sosial Melalui Kebijakan Program Bantuan Langsung Tunai (BLT) Di Era Pandemi Covid-19: Tinjauan Perspektif Ekonomi Dan Sosial*. Jurnal Manajemen Pendidikan Dan Ilmu Sosial Vol 1 No. 2 Hlm.516–26
- Ivancevich, John, M, dkk. (2008). *Perilaku dan Manajemen Organisasi, jilid 1 dan 2* Jakarta: Erlangga.
- Mangunhardjana, (1986). *Pembinaan, Arti dan Metodenya*, Yogyakarta:Kanimus.
- Mathis Robert, Jackson John. (2002). *Manajemen Sumber Daya Manusia*. Jakarta: Salemba Empat.
- Simanjuntak, B., I. L Pasaribu. (1990). *Membina dan Mengembangkan Generasi Muda*, Bandung: Tarsito.
- Sugiri, Dani. (2020). *Menyelamatkan Usaha Mikro, Kecil, Dan Menengah Dari Dampak Pandemi Covid-19*. Fokus Bisnis: Media Pengkajian Manajemen dan Akuntansi 19.
- Ogbo, A., Ogbo, A. C., & Nwachukwu, A. C. (2012). *The Role of Entrepreneurial in Economic Development: The Nigerian Perspective*. European Journal of Business and Management, 4(8), 95-105.
- Toluyemi, S., Adigbole, E., & Kasum, A. (2015). *Constraints Growth and Sustainability of MSMEs in Nigeria: Perseption of Entrepreneurs and Experts*. African-Asia Journal of Rural Development, 48(1), 111-129.
- Vina Natasya, Pancawati Hardiningsih. (2021). *Kebijakan Pemerintah Sebagai Solusi Meningkatkan Pengembangan UMKM di Masa Pandemi*. Ekonomis: Journal of Economics and Business, 5(1), Maret 2021, 141-148.