POLICY DESIGN FOR GUIDANCE AND DEVELOPMENT OF MICRO, SMALL AND MEDIUM INDUSTRIES IN LUBUKLINGGAU CITY

Muhammad Khalid Haikal Hosali, Jatmiko Yogopriyatno*, Abdul Aziz Zulhakim

Departement of Public Administration, Faculty of Social and Political Sciences, University of Bengkulu, Bengkulu, Indonesia

Article history:
Submission 25 May 2024
Revised 31 May 2024
Accepted 08 June 2024

*Corresponding author:
E-mail: jyogop@unib.ac.id

ABSTRACT

This paper aims to describe the challenges and proposed strategies and policies for the Development of Micro, Small and Medium Industries in Lubuklinggau City. This research design is descriptive qualitative, data collection is done through four steps namely; observation, semi-structured interviews, documentation and conducting FGDs. Data analysis consists of two main sub-processes: (1) data reduction and pattern identification, and (2) conclusion drawing and conclusion presentation. The results of the study concluded that there are challenges faced in the activities of Guidance and Development of Micro, Small and Medium Industries in Lubuklinggau City to develop five leading sectors namely; wholesale and retail trade sector, transportation and trade sector, accommodation and eating and drinking sector, real estate sector, corporate services sector, and health services sector. Pentahelix Model Design was designed by the Lubuklinggau City Government to organize the Guidance and Development of Micro, Small and Medium Industries by involving five elements namely academics, business, community, government, and media.

Keywords: Coaching and Development of MSMI, Collaboration, Pentahelix Model

Introduction

The guidance and development of micro, small, and medium industries is an important aspect in a country's economy, especially for developing countries [1], [2], [3], [4]. Micro, small and medium industries (MSMI) have a strategic role in creating jobs, increasing community income, and reducing economic disparities between urban and rural areas [5], [6], [7]. In the context of fostering and developing micro, small and medium industries, there are several aspects that need to be considered, ranging from government policy support, access to capital and markets, to strengthening human resource capacity [1], [2], [8], [9], [10], [11].

According to the aspects described above, government policy is the main aspect in the guidance and development of micro, small and medium industries, because the existence of appropriate and sustainable policies can create a conducive environment for the growth of micro, small and medium industries. This is important to provide legal certainty to micro,
small and medium industry players, such as the provision of micro, small and medium enterprise loans with low interest rates, legal protection, and facilitation in the licensing process. [3].

To develop, a collaborative approach between various parties is the main key in fostering and developing MSMI. Government, financial institutions, academics, large industries and civil society are needed to work together in formulating policies and programs that support industrial growth in the region [6], [7], [12]. Collaboration across sectors is expected to create synergies and strengthen the business ecosystem for MSMI. Meanwhile, the government, in this case, plays an important role as a facilitator to coordinate across sectors, in order to create effective collaboration between these parties.

However, MSMI generally have relatively small capital, where the machinery, equipment and business premises used are still mixed with the house where they live[7]. Then, based on the profile of micro and small industries released by BPS in 2022, it can be seen that access to banking in business capital is relatively small, there are only 23% of MSMI players who take advantage of banks[13]. This can see the main reasons for not borrowing from banks as follows.

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficult Requirement</td>
<td>8.33%</td>
</tr>
<tr>
<td>High interest rates</td>
<td>52.9%</td>
</tr>
<tr>
<td>No interest</td>
<td>10.9%</td>
</tr>
<tr>
<td>No collateral</td>
<td>7.08%</td>
</tr>
<tr>
<td>Don’t know how to do it</td>
<td>1.33%</td>
</tr>
</tbody>
</table>

*Chart 1. Reasons WHY MSMI Actors in Lubuklinggau City Do Not Borrow from Banks*

Based on the data presented above, it can be seen that around 52.09% stated that the main reason for not utilizing bank loans was because they were not interested. Meanwhile, 1.33% of micro and small industry groups wanted to add capital through bank loan schemes, but were rejected.

Lubuklinggau City is one of the areas in the urban area, which is located in the westernmost part of South Sumatra Province. Lubuklinggau City according to Law number 7 of 2001[14], has an area of 401.50 km2 or 40,150 Ha with a population in 2023 of 241,894 people. Lubuklinggau City has become the center of activity for residents of several adjacent regencies, namely Musi Rawas Regency, North Musi Rawas Regency, Empat Lawang Regency and Rejang Lebong Regency. Based on this fact, Lubuklinggau City is a transit city that has a geo-strategic position by becoming a crossing city of the middle Sumatra route.

Meanwhile, based on the Shift Share analysis, there are seven sectors that are leading sectors, namely other services, health services, real estate, provision of accommodation and eating and drinking, company services, wholesale and retail trade, and transportation and warehousing [15]. Three sectors are potential, namely the water supply sector, waste management, waste and recycling, construction and education services. Four developing sectors are in the mining and quarrying, industry and electricity and gas procurement sectors, as well as two leading sectors, namely the agriculture,
forestry, fisheries and government administration, land and social security sectors. The following table explains the sector classification in Lubuklinggau City.

**Table 1. Sector Classification of Lubuklinggau City**

<table>
<thead>
<tr>
<th>No</th>
<th>Sector</th>
<th>LQ</th>
<th>Shif Share</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture, forestry and fisheries</td>
<td>Non-base</td>
<td>Not progressive</td>
<td>Underdeveloped</td>
</tr>
<tr>
<td>2</td>
<td>Mining and quarrying</td>
<td>Non-base</td>
<td>Progressive</td>
<td>Developing</td>
</tr>
<tr>
<td>3</td>
<td>Industry</td>
<td>Non-base</td>
<td>Progressive</td>
<td>Developing</td>
</tr>
<tr>
<td>4</td>
<td>Power and gas procurement</td>
<td>Non-base</td>
<td>Progressive</td>
<td>Developing</td>
</tr>
<tr>
<td>5</td>
<td>Water supply, waste management, waste and recycling</td>
<td>Base</td>
<td>Non-progressive</td>
<td>Potential</td>
</tr>
<tr>
<td>6</td>
<td>Construction</td>
<td>Base</td>
<td>Non-progressive</td>
<td>Potential</td>
</tr>
<tr>
<td>7</td>
<td>Trade in wholesale and retail, repair of cars and motorcycles</td>
<td>Base</td>
<td>Progressive</td>
<td>Leading</td>
</tr>
<tr>
<td>8</td>
<td>Transport and warehousing</td>
<td>Base</td>
<td>Progressive</td>
<td>Leading</td>
</tr>
<tr>
<td>9</td>
<td>Supply of accommodation and food and beverages</td>
<td>Base</td>
<td>Progressive</td>
<td>Leading</td>
</tr>
<tr>
<td>10</td>
<td>Information and communication</td>
<td>Non-base</td>
<td>Progressive</td>
<td>Developing</td>
</tr>
<tr>
<td>11</td>
<td>Financial and insurance services</td>
<td>Base</td>
<td>Non-progressive</td>
<td>Potential</td>
</tr>
<tr>
<td>12</td>
<td>Real estate</td>
<td>Base</td>
<td>Progressive</td>
<td>Leading</td>
</tr>
<tr>
<td>13</td>
<td>Corporate services</td>
<td>Base</td>
<td>Progressive</td>
<td>Leading</td>
</tr>
<tr>
<td>14</td>
<td>Public administration, land and compulsory social security</td>
<td>Non-base</td>
<td>Non-progressive</td>
<td>Underdeveloped</td>
</tr>
<tr>
<td>15</td>
<td>Education services</td>
<td>Base</td>
<td>Non-progressive</td>
<td>Potential</td>
</tr>
<tr>
<td>16</td>
<td>Health services and social activities</td>
<td>Base</td>
<td>Progressive</td>
<td>Leading</td>
</tr>
<tr>
<td>17</td>
<td>Other services</td>
<td>Base</td>
<td>Progressive</td>
<td>Leading</td>
</tr>
</tbody>
</table>

*Source: Lubuklinggau City Industry and Trade Office, 2023 [16].*

The nurturing and development of MSMI is one of the main focuses in improving the local and national economy. In Indonesia, MSMI play an important role in creating jobs and reducing poverty. Lubuklinggau City, as one of the growing cities in South Sumatra Province, has great potential in this sector. Therefore, there is a need for an appropriate policy design to support the guidance and development of MSMI in this region.

According to the research that has been conducted, some of the main findings related to the guidance and development of MSMI are that an integrated policy involving various parties such as the government, private sector, and community is very effective in improving the competitiveness of MSMI [17], [18], [19], [20]. Furthermore, the need for continuous training and entrepreneurship education is key to improving the quality of MSMI products and management [1], [2], [8], [21], [22], [23], [24], the importance of easy and affordable access to capital for MSMI, which can be facilitated through microcredit policies [3], [4], [7], [8], [9], [21], [25], the adequate infrastructure and adoption of the latest technology can improve the efficiency and productivity of MSMI [6], [7], [9], [10], [26], [27], [28], and the importance of effective marketing strategies and strong business networks are critical to the success of MSMI [5], [10], [11], [29], [30].

The scholars emphasized the importance of comprehensive and adaptive policy design to support the development of MSMI, where a good policy should be able to adjust to the market dynamics [31], [32], [33], [34] and the specific needs of MSMI [35], [36]. Meanwhile, inclusive and participatory policies, which involve MSMI actors in the formulation process, tend to be more effective and can be implemented well [37], [38], [39].
Based on the description above, the problems to be answered in this study (research question) are:

1. What challenges in coaching and development of micro, small and medium industries in Lubuklinggau City?

2. What are the strategies and policies proposed for the Development of Micro, Small and Medium Industries in Lubuklinggau City?

**Methods**

This descriptive qualitative research design aims to explore in-depth information on existing policies, challenges faced, and needs and expectations of MSMI actors in Lubuklinggau City. Four steps were taken to collect data: participatory observation by engaging in MSMI daily activities, semi-structured interviews were conducted with MSMI actors, policy makers, and other stakeholders such as banks and academics, collecting official documents such as government reports, local regulations, academic publications, and statistical data, and conducting FGDs with groups of MSMI actors, policy makers, and local economic experts.

Data analysis consisted of two main sub-processes: (1) data reduction and pattern identification, which is data reduction carried out by identifying patterns, categorizing, tabulating data, comparing, or recombining data obtained in the field to then display/present the data, and (2) conclusion drawing and presentation of conclusions, this process serves to find relevant and significant findings to the data patterns that have been identified, including interpreting the findings in the field.

**Result and Discussion**

1. **Challenges of Coaching and Development of Micro, Small and Medium Industries in Lubuklinggau City.**

Local economic development is not new, but the concept of coaching and development continues to evolve. Where micro, small and medium industries are one of the government’s main focuses in creating new jobs. There are several sectors that can be used as guidelines for regions to increase their regional economic growth income.

The industrial sector is the best choice. There are three main reasons the industrial sector is used as a key sector for economic development and growth in the region. First, industry is the only economic sector that can produce the greatest added value and means the largest contributor to the growth of Gross Regional Domestic Product (GRDP). Second, industry can be a puller (through backward production linkages) and a driver (through forward production linkages) of the development and growth of output in other economic sectors. Third, industry is the most important sector for technology development, which can then be spread through spillover effects to other sectors. This has been proven by countries that experienced the industrial revolution tend to have rapid economic growth.

Cited from Somkid and Suvit (1997), which explains that there are a number of factors that attract industrial development in a region, including high value-added per worker (productivity). This means that the industry has an important contribution not only to the increase in community income but also to the formation of GRDP. The development of these industries will increase the total value added of the region. Next is related to future competitiveness, because this condition determines the prospects of the development of the industry concerned. According to the rationale of classical theories of international trade, a region should specialize in industries in which it has a comparative advantage, which means that the region will be able to enjoy the benefits of trade. As for the prospects for domestic demand, the rationale is that the industry will make a meaningful contribution to increasing regional economic growth through local consumption.

Lubuklinggau City, in accordance with its vision, will be directed to become the center of economic activities, education, health and other sectors for the western part of South Sumatra Province. Lubuklinggau City is expected to become an advanced and competitive center of industry, trade, and services, from the aspect of quality human resources and the availability of adequate infrastructure as the embodiment of an advanced city by taking into account the advantages of regional potentials.
Table 2. Objectives of Realizing a Competitive Lubuklinggau City

<table>
<thead>
<tr>
<th>No</th>
<th>Objective</th>
<th>Indicator</th>
<th>Unit</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Increased GRDP value of Trade and Services</td>
<td>Sector GRDP of Trade and Services</td>
<td>Billion (Rp)</td>
<td>1992,35</td>
</tr>
<tr>
<td>2</td>
<td>Increasing Industrial Growth</td>
<td>Growth Rate of Industrial Sector to GRDP</td>
<td>Percent</td>
<td>2,24</td>
</tr>
<tr>
<td>3</td>
<td>Decreasing Unemployment</td>
<td>Open Unemployment</td>
<td>Percent</td>
<td>0,36</td>
</tr>
</tbody>
</table>

Source: Lubuklinggau City Industry and Trade Office, 2023 [16].

Based on the objectives set, there are objectives set in achieving the above objectives.

a. Objective 1: Increased GRDP value of the Trade and Services Sector
   (1) Increased Trade Sector Growth
   (2) Increased Trade Security

b. Objective 2: Increased Industrial Growth
   (1) Percentage of Industrial Center Growth
   (2) Percentage of Industrial Product Quality

c. Goal 3: Decreasing Unemployment
   Increased Upgrading of Small and Medium Industries (IKM)
d. Goal 4: Increased Purchasing Power of the People
   Inflation Rate of Basic and Important Prices

The target of the target indicators set in the span of 5 years (2018 to 2023) can be seen as follows:

Table 3. Target Indicators for Achieving Vision and Mission in the Industry and Trade Sector of Lubuklinggau City

<table>
<thead>
<tr>
<th>No</th>
<th>Performance Indicators</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>a. Percentage Growth of Trade Sector in GRDP</td>
<td>16,86</td>
<td>0,17</td>
<td>0,18</td>
<td>16,86</td>
<td>16,91</td>
</tr>
<tr>
<td></td>
<td>b. Increased Trade Security</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>c. Percentage decrease in regional inflation rate</td>
<td>2,15</td>
<td>2,10</td>
<td>5,22</td>
<td>1,97</td>
<td>2,15</td>
</tr>
<tr>
<td>2</td>
<td>a. Increased Growth of Industrial Centers</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>b. Percentage of Industrial Product Quality</td>
<td>15</td>
<td>20</td>
<td>15</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>Percentage of Small and Medium Industries Upgraded</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Lubuklinggau City Industry and Trade Office 2023 [16].

The determination of Lubuklinggau City's leading industry is based on the criteria in the following table:

Table 4. Criteria for Determining the Leading Industry of Lubuklinggau City

<table>
<thead>
<tr>
<th>No</th>
<th>Criteria</th>
<th>Explanation</th>
</tr>
</thead>
</table>
| 1  | Economic Value Added / Increased Regional Revenue | a. Value-added commodity creation  
b. Resource availability |
| 2  | Social Value Added / Labor Absorption and Welfare Improvement | Contributions to the social aspects of the region have implications for improving the welfare of the community with an emphasis on employment. |
| 3  | Availability and Continuity of Raw Materials/Natural Resources Support | a. Stability of raw material availability (domestic or cross-regional)  
b. Sufficient volume of raw materials |
Table 4: Criteria and Explanation

<table>
<thead>
<tr>
<th>No</th>
<th>Criteria</th>
<th>Explanation</th>
</tr>
</thead>
</table>
| 4  | Marketing Aspects/Market Access and Volume | a. Affordable market access coverage
   |                                 | b. Infrastructure support
   |                                 | c. Competitive conditions
| 5  | Government Policy and Institutional Support | There is a need for local government support in reaching sustainability and increasing potential through commodity positions in regional strategic plans and regional regulations. |
| 6  | Human Resources Support         | Need to be supported by the availability of professional education and training institutions, as well as the competence of qualified regional human resources. |
| 7  | Local Prestige                  | a. Distinctiveness/uniqueness
   |                                 | b. Ability to raise regional pride |
| 8  | Public Readiness and Willingness | a. Positive community response to selected commodities that will continue to be industrial products
   |                                 | b. Psychological readiness of the community |
| 9  | Readiness and Willingness of the Government | Support through positive responsiveness of bureaucratic apparatus to selected industries |
| 10 | Readiness and Willingness of Business Actors | Business actors in the region are ready and accept commodities to be continued into downstream products through mapping the strengths and weaknesses of business actors and the response and competence of business actors. |

Source: Lubuklinggau City Industry and Trade Office, 2023 [16].

Amelia, et al (2022) emphasized that the establishment of economic strategic areas in spatial planning is one of the efforts to accelerate development by utilizing existing local resources, so that it is expected to be able to improve the regional economy and attract investment [47]. The research results of Tyas (2022) show that in addition to the regional leading sector, it is also known that there are several potential sectors and developing sectors as well as underdeveloped sectors that need strategies in optimization, this is useful as a carrying capacity to realize the Lubuklinggau urban area as a provincial strategic area with economic interests[15].

Based on the description of table 4, ten challenges faced in the activities of Guidance and Development of Micro, Small and Medium Industries in Lubuklinggau City to develop five leading sectors were identified as follows:

a. The wholesale and retail trade sector, car and motorcycle repair is one of the leading sectors because based on existing conditions in the field, it is known that Lubuklinggau City is the center of repair and sales of used and new cars. This supports the needs of the population, especially in Lubuklinggau City, as well as residents in satellite areas such as Musi Rawas, Empat Lawang, North Musi Rawas and Rejang Lebong.

b. The transportation and trade sector is a leading sector because transportation facilities and infrastructure are more complete than those in the surrounding districts, such as the availability of airports and train stations.
c. The provision of accommodation and food sector is a leading sector, considering the data from BPS South Sumatra Province in 2021, the availability of hotels in Lubuklinggau City is the second most out of 16 cities / districts in the South Sumatra region.

d. The real estate sector is superior because it is influenced by the presence of residents from outside the region who migrate to Lubuklinggau City to work or go to school, this is in accordance with the existing conditions of the many subsidized housing developments centered in the southern ring and western ring areas.

e. The corporate services sector is superior in supporting business operations or business and also the presence of head offices that influence this sector, where many private companies are engaged in capital, which in this case also supports capital in the creative economy and MSMI.

f. The health services sector in Lubuklinggau City is a leading sector due to the availability and affordability of health facilities in the region that are able to support the health service needs of residents in the surrounding area, whose facilities and availability are still lacking.

2. Strategies and Policies for the Development of Micro, Small and Medium Industries in Lubuklinggau City

The division of political, funding, and administrative authority between parties representing various layers of government institutions, civil society and the private sector, is a system of combining various aspects of decentralization, deconcentration and democratization to effectively achieve a balance between rights and responsibilities in the development of MSMI. Based on the results of interviews and FGDs with stakeholders on strategies and policies for fostering and developing micro, small and medium industries in Lubuklinggau City, it is necessary to synchronize several parties to encourage MSMI in the form of a pentaehelix model with the involvement of five actors, namely: academics, business, community, government, and media.

a. Academics

In the pentaehelix model, academics have a role as conceptor. In this case, academics participate in the development of MSMI through various activities such as potential identification, product certification, and human resource skills. The activities are carried out to support MSMI actors to be able to increase their potential in running their business and realize development for MSMI. Academics are actors who are a source of knowledge with concepts and theories related to the business being developed by MSMI Lubuklinggau City. In the development of MSMI Lubuklinggau City, the academics are Musi Rawas University (UNMURA), PGRI Silampari University (UNPARI) AND Bina Insan University (UNIVBI).

Academics provide assistance to MSMI actors through Community Service Program (KKN) activities. This Entrepreneurship Thematic KKN activity is carried out as a form of implementing the Tri Dharma of Higher Education in terms of community service. The implementation of KKN Thematic Entrepreneurship is carried out with the aim of assisting MSMI actors such as MSMI Lubuklinggau City through several activities starting with identifying MSMI potential.

The identification of MSMI potential is carried out by academics, to find out the types of potential owned by MSMI Lubuklinggau City, and to find out the variety of products owned by MSMI actors. Thus, academics can know the steps or actions to be taken to develop MSMI in Lubuklinggau City. Through the identification activities carried out, academics carry out several activities to support the development of MSMI and carry out activities that support MSMI actors in improving their skills in running their businesses.

Furthermore, to support the development of MSMI, various activities are carried out to improve the skills of MSMI actors in running their businesses. Academics have a role to provide knowledge related to new and relevant information to MSMI actors. In addition, to support sales, academics utilize advances in information and technology to conduct online marketing. To maximize online sales, so as to attract buyers' attention. In addition, academics
also conduct training on bookkeeping administration and business diversification.

Based on the explanation above, academics in this case are Musi Rawas University (UNMURA), PGRI Silampari University (UNPARI) and Bina Insan University (UNIVBI) have carried out their role as conceptors in the penta-helix model. This is because, in accordance with the concepts, theories and information owned can realize the development of MSMI Lubuklinggau City.

b. Business

In the pentahelix model, business has a role as an enabler. Business is an entity that carries out the process of change in creating added value and maintaining sustainable growth. In the development of MSMI, the role of business is carried out by MSMI actors themselves and the presence of the private sector. MSMI actors become the main capital in MSMI development, this is because these MSMI actors run the business.

The presence of technology, information, and communication infrastructure can provide changes to human resources to support MSMI development. Changes in human resources are important because humans are the main actors running the business. Coaching activities are conducted to help MSMI actors to be more modern and keep up with market developments.

The forms of coaching carried out to help MSMI actors to produce superior products are coaching related to the packaging used in selling. Furthermore, coaching related to product labeling to provide labels on each product packaging, so that the products produced have complete information such as production date, expiry date, product owner, composition, and other information.

In realizing the development of MSMI Lubuklinggau City, the creativity of MSMI actors is also one of the determining factors of success. MSMI actors must have the ability to read market opportunities so that they can produce varied products. This can be done with the creativity of MSMI actors. Along with the development of science and technology, there needs to be support for MSMI actors to be able to produce products and businesses into the digital era.

In the effort to develop MSMI, there are common obstacles that often hit MSMI such as constraints in capital. MSMI actors use personal capital to run their businesses. However, there is currently assistance for MSMI actors such as the People's Business Credit (KUR).

Overall, businesses have played their role as enablers in MSMI development. MSMI actors play the role as the main entity in developing MSMI in Lubuklinggau City with the business they are running. However, the role of the private sector has not been seen in collaborating with MSMI Lubuklinggau City.

The presence of business as an enabler supports MSMI actors to improve their capabilities with training or education obtained to support the change of human resources, products and business processes to the digital era by presenting technology and information infrastructure. In addition, the creativity of MSMI actors is the main supporting force to be able to present MSMI products that have high selling value.

Capital support determines the success of MSMI development. Various capital assistance is obtained by MSMI actors in Lubuklinggau City, such as the People's Business Credit (KUR). However, there are obstacles such as the capital assistance received has not been comprehensive to MSMI actors, and there are some MSMI actors who are blacklisted from banks due to several reasons, making it difficult to get capital assistance from banks. In addition, another obstacle faced is the limited space for MSMI product exhibitions.

c. Community

In the pentahelix model, the community acts as an accelerator. A community is a group of people who interact with each other in a certain environment. In general, people who interact with each other in that environment have similar interests and occupations. The community is involved in the development of MSMI through activities carried out to support the development of MSMI products and improve the marketing of MSMI products.

The establishment of the MSMI community was done by the Lubuklinggau City Government in order to become a forum for MSMI actors to interact with fellow MSMI actors to develop further. In addition, through the MSMI
community, it is easier for the government to provide the necessary information for MSMI actors. The following is a list of MSMI batik communities in Lubuklinggau City:
- Batik Linggau
- Batik Linggau Madani
- Batik Maria Ecoprint
- Batik Eyik
- Batik SMKN 4
- Batik Glitik
- Batik Cereme dalam
- Batik Tabarejo temam

MSMI community of Lubuklinggau City’s involvement in MSMI development can be seen from the support for MSMI product development such as training. These trainings are organized by the MSMI community of Lubuklinggau City with various resource persons. As in the batik training activities organized by the Batik Linggau community with a resource person from the head of the community, Mr. Amanda Mandala Sinampera (Mada) who has batik products with good quality and has obtained a copyright patent, so that he can provide his knowledge to other MSMI actors.

In addition to supporting MSMI product development, the existence of the community also supports MSMI actors to be able to market their products to a wider market. The involvement of the Lubuklinggau City MSMI community in supporting the marketing of MSMI products is the participation of the MSMI community in various bazaars and international seminars.
The involvement of Lubuklinggau City MSMI community has an influence in realizing MSMI development. Through MSMI Lubuklinggau community, MSMI actors can meet people who have expertise in various fields so that they can support the improvement of their knowledge. Thus, the involvement of Lubuklinggau City MSMI community as an accelerator has gone well.

d. Government

In the pentahelix model, the government acts as a regulator and coordinator to coordinate and mobilize other actors to be involved in the development of MSMI.

The government, especially the Lubuklinggau City Government, supports the development of MSMI through policies issued, such as the policy design of local regulations on the guidance and development of micro, small and medium industries. The draft regulation explains that in order to empower MSMI, one of the activities is development. Development activities are carried out such as providing facilities, guidance, assistance, and strengthening assistance to grow and improve MSMI competitiveness. The form of government involvement is not only through policies issued to support MSMI development and capital assistance. The government also mobilizes other actors and coordinates to realize the development of MSMI. Important support from the government for MSMI development can also be seen from various facilities provided. The facilities provided can be in the form of facilities and infrastructure, ease of business license processing, promotion and as the MSMI Data Bank in Lubuklinggau City.

Table 5. Recapitulation of Formal Small Industry in Lubuk Linggau City in 2023

<table>
<thead>
<tr>
<th>No</th>
<th>Industry Branch</th>
<th>Total Business Unit</th>
<th>Total Labor (Persons)</th>
<th>Total Investment (Rp. 00)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Foods</td>
<td>9,582,205</td>
<td>1,052</td>
<td>Rp 9,432,205,00</td>
</tr>
<tr>
<td>2</td>
<td>Clothes and Leather</td>
<td>2,791,325</td>
<td>162</td>
<td>Rp 2,791,325,00</td>
</tr>
<tr>
<td>3</td>
<td>Chemical and Building Materials</td>
<td>969</td>
<td>969</td>
<td>Rp 5,572,330,00</td>
</tr>
<tr>
<td>4</td>
<td>Metals and Services</td>
<td>5,855,712</td>
<td>722</td>
<td>Rp 5,855,712,00</td>
</tr>
<tr>
<td>5</td>
<td>Crafts and General</td>
<td>1,660,506</td>
<td>-</td>
<td>Rp 1,310,506,00</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>19,890,717</td>
<td>2,905</td>
<td>Rp 24,962,078,00</td>
</tr>
</tbody>
</table>

Source: Lubuklinggau City Industry and Trade Office, 2023 [16]

The local government of Lubuklinggau also provides business license facilities for MSMI such as Business License Number (NIB), Home Industry Food License (PIRT), BPOM license, Halal license, and other licenses. The activity of providing convenience in managing business licenses for MSMI is carried out through cooperation with other agencies such as the Investment Office, Health Office, Bank Sumsel Babel, as well as the Industry and Trade Office as the leading sector.

Based on the explanation above, it can be seen that the government in the pentahelix model has carried out its role as a regulator through policies issued to support the development of MSMI, as well as supporting and coordinating other parties to support the development of MSMI. The government, in this case the Lubuklinggau City Government, supports the development of MSMI in its area by providing guidance and facilities. Even so, there are obstacles faced by the Lubuklinggau City Government such as the lack of entrepreneurial spirit of MSMI actors.

e. Media

In the Pentahelix model, the media acts as an expander. The media is involved in various activities such as publications that support the promotion of MSMI products and create brand image. The media involvement used by the MSMI community, namely Batik Linggau, is Instagram, namely @Mada Studilukisbatik Linggau.
In the Instagram social media, it contains activities carried out by MSMI Batik Linggau in MSMI Lubuklinggau City, there are also products produced such as durian batik cloth, and other information. The use of social media in the development of MSMI is considered to be quite helpful in selling MSMI products.

**Conclusion**

Based on the research results, it is concluded that there are challenges faced in the activities of Guidance and Development of Micro, Small and Medium Industries in Lubuklinggau City to develop five leading sectors, namely; wholesale and retail trade sector, transportation and trade sector, accommodation and eating and drinking sector, real estate sector, corporate services sector, and health services sector.

The Pentahelix Model design was designed by the Lubuklinggau City Government to organize the Guidance and Development of Micro, Small and Medium Industries by involving five elements namely academics, business, community, government, and media.

Academia in the pentahelix model has a role as a conceptualizer, Business acts as an enabler, with MSME actors as the main entity running the economy, Community as an accelerator in supporting the marketing of MSMI products such as the participation of the MSMI community in various bazaars and international seminars, Government acts as a regulator as well as a coordinator to be able to coordinate and mobilize other actors to be involved in the development of MSMI, and finally the role of the media as an expander that supports the development of MSMI through promotional activities for MSMI products and creating a brand image.

**Acknowledgement**

We would like to thank all those who have provided support, assistance, and participation in this research. Hopefully the results of this research can provide great benefits and become the first step in the design of policies for the Guidance and Development of Micro, Small and Medium Industries in Lubuklinggau City.

**References**

Hosali et al., 2024 / Policy Design for Guidance and Development of Micro, Small and Medium Industries in Lubuklinggau City


20. N. P. Utami, "Kemajuan Perkembangan Smart City di Kabupaten Bogor dalam..."


34. J. Yogopriyatno et al., "Pembuatan Kebijakan Publik." Makasar: C edekia Publisher, 2024.


41. M. B. Miles and A. M. Huberman, Qualitative data analysis: An expanded sourcebook. Sage, 1994.


