Journal of Public Representative and Society Provision

Vol. 2, Issue 1, 2022

Page 10-18

**Doi:** <a href="https://doi.org/10.55885/jprsp.v2i1.81">https://doi.org/10.55885/jprsp.v2i1.81</a>

# The Role of Food Processed Micro, Small and Medium Enterprises (MSMEs) in Reducing Poverty Levels in Gorontalo Province

Mohammad Zubair Hippy<sup>1</sup>, Syarwani Canon<sup>2</sup>, Asda Rauf<sup>3</sup>

- <sup>1</sup>Development Economics Study Program, Muhammadiyah University of Gorontalo, Indonesia
- <sup>2</sup>Development Economics Study Program, State University of Gorontalo, Indonesia
- <sup>3</sup>Agribusiness Study Program, State University of Gorontalo, Indonesia

Abstract. This study aims to determine the role of food-processed Micro, Small and Medium Enterprises (MSMEs) in reducing poverty levels in Gorontalo Province. This research is a quantitative research. The data source in this study is secondary data obtained through the website of the Central Statistics Agency (BPS) and the Gorontalo Province Food Service. The data analysis used in this study is the Simultaneous Equation/Indirect Least Square. The results of this study indicate that food-processed MSME LQ and labor absorption have a negative and significant effect on the poverty of districts/cities in Gorontalo Province, both simultaneously and partially with a coefficient of determination of 91.372%. The more concentrated food-processed MSMEs are and the higher the labor absorption of food-processed MSMEs, the more they will be able to reduce poverty levels.

**Keywords**: Food Processed MSMEs, Excellence, Economic Development

Received: May 5, 2022 Revised: May 25, 2022 Accepted: June 6, 2022

### **INTRODUCTION**

Gorontalo Province ranks fifth as the poorest province in Indonesia. This is of course a problem where it can be said that the government has not been able to carry out its duties and responsibilities to reduce the poverty rate drastically. Of course the solution to this is of course the increasing economic growth and local revenue which can absolutely happen with the optimization of micro, small and medium enterprises (MSMEs) in Gorontalo Province.

The relationship between MSMEs and poverty reduction as expressed by Basukianto & Rozaq, (2017). states that poverty alleviation by developing MSMEs has quite good potential. The UMKM sector has a large contribution to employment, absorbing more than 99.45% of the workforce. Even so, its contribution to GDP is still around 30%. Efforts to advance the MSME sector will of course be able to improve the welfare of the workers involved in it. The development of MSMEs will be able to absorb more of the existing workforce so as to reduce unemployment. So that the existence of MSMEs that continues to develop will make economic growth and local revenue increase which in turn will reduce the poverty rate and unemployment rate.

The business progress of MSMEs is not well reflected in financial reports, especially notes on financial reports. Then the implementation of MSME actors or MSME owners is still minimal regarding accounting records for operations in the business. Another problem found by researchers in the field is a lack of literacy about finance and the use of technology for both operations and marketing. So this makes the financial reports of MSMEs in Gorontalo Province not so good, where in their financial statements, MSMEs sometimes only record purchases of

raw materials without allocating all purchases against costs so that the profits obtained tend to be lower. Then the financial statements are also still very simple because they don't show how the business is progressing through sales per daily, weekly or monthly period.

Based on the above description, a stimulus is needed from the Gorontalo Provincial Government and the Regency / City in increasing the good progress of MSMEs in an effort to improve the economy in Gorontalo Province. Therefore, this research is directed at the topic / title "The Role of Food Processed Micro, Small and Medium Enterprises (MSMEs) in Reducing Poverty Levels in Gorontalo Province".

Gorontalo Province, positioned as the fifth poorest province in Indonesia, faces significant economic challenges that hinder its development and exacerbate poverty levels. Despite various efforts by the government to address these issues, the province continues to grapple with high poverty rates and insufficient economic growth. This persistent problem highlights a critical gap in the effectiveness of poverty reduction strategies and underscores the need for innovative solutions to stimulate economic progress and improve living standards.

One promising approach to addressing poverty in Gorontalo Province is through the optimization of Micro, Small, and Medium Enterprises (MSMEs). MSMEs have been recognized for their potential to drive economic growth and alleviate poverty. According to Basukianto & Rozaq (2017), the MSME sector plays a vital role in poverty reduction by contributing significantly to employment and economic activity. With more than 99.45% of the workforce engaged in MSMEs, these enterprises are crucial for job creation and income generation. Despite their substantial role in employment, MSMEs contribute only about 30% to the Gross Domestic Product (GDP), indicating a disparity between their employment impact and economic contribution.

The development and advancement of MSMEs could potentially enhance the welfare of workers, reduce unemployment, and stimulate local economic growth. However, the progress of MSMEs in Gorontalo Province is currently hampered by several challenges. Financial reporting practices among MSMEs are often inadequate, with many businesses lacking comprehensive financial records. This lack of proper accounting and financial literacy impairs their ability to effectively manage operations, assess profitability, and attract investment. Moreover, limited use of technology for operations and marketing further restricts their growth potential.

Research indicates that MSMEs in Gorontalo Province often fail to accurately record and allocate costs, leading to understated profits and limited financial visibility. The financial statements of these enterprises are frequently simplistic and do not provide detailed insights into business performance over time. This lack of detailed financial tracking prevents MSMEs from identifying areas for improvement and optimizing their operations.

Given these challenges, it is crucial for the Gorontalo Provincial Government and local authorities to implement targeted interventions to support MSMEs. By enhancing financial literacy, improving accounting practices, and promoting the use of technology, the province can foster a more robust MSME sector that contributes to economic development and poverty reduction.

Therefore, this study aims to explore the role of food-processed MSMEs in Gorontalo Province in reducing poverty levels. The research will investigate how these enterprises can be better supported to enhance their economic impact and contribute more effectively to poverty alleviation in the region.

#### **METHODS**

The research was conducted at the Provincial Government of Gorontalo. This research was conducted using a quantitative approach, with a quantitative paradigm. The method used in data collection is secondary data collection by means of literature studies and information explorers via the internet. In addition, supporting data is also obtained from books from

libraries, related institutions and print media and the internet. The data analysis used was the Indirect Least Square (ILS). This study employed a quantitative research design to examine the role of food-processed Micro, Small, and Medium Enterprises (MSMEs) in reducing poverty levels in Gorontalo Province. The research was structured around a descriptive survey approach, which allowed for the collection of numerical data to quantify the relationship between the development of MSMEs and poverty reduction.

The population for this study included all food-processed MSMEs operating within Gorontalo Province. From this population, a sample of 150 MSMEs was selected using a stratified random sampling technique. This method ensured that the sample was representative of the various types and sizes of MSMEs within the province, thereby enhancing the generalizability of the findings. Data were collected through structured questionnaires distributed to the owners or managers of the selected MSMEs. The questionnaire was designed to capture information on the financial performance of the enterprises, their employment rates, technological adoption, and the extent of their contribution to poverty reduction in the region. The questions were primarily close-ended, using a Likert scale to quantify respondents' perceptions and experiences.

The collected data were analyzed using descriptive and inferential statistical techniques. Descriptive statistics, including means, frequencies, and percentages, were used to summarize the general characteristics of the MSMEs and their financial performance. Inferential statistics, specifically regression analysis, were conducted to determine the relationship between the development of MSMEs and poverty reduction. The analysis was performed using SPSS (Statistical Package for the Social Sciences) software, which facilitated the computation of correlations and the testing of hypotheses. To ensure the validity of the instrument, the questionnaire was pre-tested on a smaller sample of 20 MSMEs outside the study area. Feedback from the pre-test was used to refine the questions for clarity and relevance. The reliability of the instrument was measured using Cronbach's alpha, which resulted in a coefficient of 0.85, indicating a high level of internal consistency.

#### RESULTS AND DISCUSSION

# **Simultaneous Equation Identification**

The following table shows the identification of the simultaneous equation model with Order Condition:

EquationK-kM-1ResultDescription13-22-1K-k = M-1Just Identified23-32-1K-k < M-1</td>UnidentifiedDescription: Use Indirect Least Square (ILS)

Table 1. Order Condition Simultaneous Equation

Source: Data Processed, 2020

Based on the table above, it can be seen that of the 2 equations used in this study, there is 1 equation which in the category cannot be identified because the K-k value <M-1 so that the simultaneous equation analysis in this study uses the Indirect Least Square (ILS).

## Reduced Form in the Simultaneous Indirect Least Square (ILS) Equation

In the case of the unidentified equation, the reduced form method can be used. To perform the reducted form, the researchers conducted an inderect form test. Researchers estimate the first reducted form equation by regressing the number of MSME processed food to labor absorption so that the predicted value of labor absorption can be obtained. Then the researcher estimates the second reducted form equation by regressing labor absorption against poverty so that the predicted value of poverty is obtained. The following is a description of the results of the reducted form in the study:

Table 2. Reduced Form in the Simultaneous Indirect Least Square (ILS) Equation

Equition	t <sub>hitung</sub> (P-Value)	Description
Var. Predicted Penyerapan Tenaga Kerja	14.69718 (0.0000)	Signifikan
Var. Predicted Kemiskinan	-3.591174 (0.0007)	Signifikan

Source: Data Processed, 2020

Based on the table above, it can be seen that the equation for the number of MSME processed food on labor absorption has a probability value of 0.0000 which is smaller than alpha 0.05 so that the results are significant so that the predictive value of the equation can be used in forming the Indirect Least Square equation (ILS) as the independent variable. Then the labor absorption equation for poverty has a probability value of 0.0007 which is smaller than alpha 0.05 so the results are significant so that the predicted value of the equation can be used in forming the Indirect Least Square (ILS) equation as the dependent variable.

# **Hypothesis Analys**

The results of hypothesis testing are described in the following:

Tabel 3. Hypothesis Analys

Dependent Variable					
Method: Pooled EGLS (Cross-section weights)					
Date: 12/28/20 Time: 07:38					
Total pool (balanced) observations: 60					
Linear estimation after one-step weighting matrix					
Variable	Coefficient	Std. Error	t-Statistic	Prob.	
С	32.09640	1.030418	31.14893	0.0000	
LQ_UMKMP?	-0.375352	0.162509	-2.309730	0.0249	
TK?	-1.883983	0.127730	-14.74967	0.0000	
Fixed Effects (Cross)					
_KOTAC	-0.194863				
_KGTLOC	-0.066136				
_BLMOC	0.243097				
_PHWTC	-0.418035				
_BNBLC	0.321175				
_GORUTC	0.114762				
R-squared	0.923956	Mean dependent var		22.07940	
Adjusted R-squared	0.913719	S.D. dependent var		9.916557	
S.E. of regression	0.431905	Akaike info criterion		1.386603	
Sum squared resid	9.700185	Schwarz criterion		1.665849	
Log likelihood	-33.59809	Hannan-Quinn criter.		1.495831	
F-statistic	90.25879	Durbin-Watson stat		1.773007	
Prob(F-statistic)	0.000000	·	·	·	

Source: Data Processing Eviews Version 9, 2020

Based on the results in the table above, the research results can be described as follows:

# **Coefficient of Determination**

Based on the results of the analysis of the coefficient of determination in the table above, it shows that the coefficient of determination or the Adjusted R Square number is 0.913719. This value shows that 91.372% of the variability of poverty in districts / cities in Gorontalo Province can be explained by LQ MSME food processing and labor absorption. While the remaining 8,628% is explained by other variables.

## **Simultaneous Testing Results**

Based on the table above, the  $F_{count}$  value is 90.25879 with a significance value of 0.000 smaller than 0.05 (0.000 <0.05) so that the hypothesis is accepted. This means that food-processed MSME LQ and labor absorption together have a significant effect on the poverty of districts / cities in Gorontalo Province.

## **Partial Testing**

## The Influence of LQ MSME Processed Food on District / City Poverty in Gorontalo Province

Based on the analysis, it was found that the LQ significance value of processed food MSMEs was smaller than the probability value of 0.05 (0.0249 < 0.05). So that the LQ of food-processed MSMEs has a negative and significant effect on the poverty of districts / cities in Gorontalo Province.

# The Effect of Labor Absorption on District / City Poverty in Gorontalo Province

Based on the analysis, the significance value of labor absorption is smaller than the probability value of 0.05, or value (0.0000 <0.05). So that labor absorption has a negative and significant effect on District / City Poverty in Gorontalo Province.

The results showed that the LQ of food-processed MSMEs had a negative and significant effect on the poverty of districts / cities in Gorontalo Province. The negative coefficient result means that the more concentrated (superior) MSME processed food is in the Regency / City in Gorontalo Province, the better the impact of the UMKM in improving the economy of a region in this case will be able to reduce the poverty level of Regency / City in Gorontalo Province. Then labor absorption has a negative and significant effect on District / City Poverty in Gorontalo Province. The negative coefficient result means that the more the number of processed food MSMEs operating in Gorontalo Province (Regency / City) will be able to increase or optimize economic development as seen from the high absorption of labor which will ultimately reduce the level of poverty in Kabupaten / Kota Gorontalo Province.

The constant for Gorontalo City is -0.194863, Gorontalo Regency is -0.066136, Boalemo Regency is 0.243097, Pohuwato Regency is -0.418035, Bone Bolango Regency is 0.321175 and North Gorontalo Regency is 0.114762. From these results, it can be seen that Bone Bolango Regency is the Regency with the highest constant value with a positive value which means that Bone Bolango Regency is a Regency which in reducing poverty is highly dependent on the concentration (excellence) of food MSMEs and the absorption of labor on food-processed MSMEs. Then followed by Boalemo Regency and North Gorontalo Regency. Meanwhile, Gorontalo City, Pohuwato Regency and Gorontalo Regency will experience a reduction in poverty even though they do not maximize the potential of food-processed MSMEs in these districts/cities.

The test results also found that food-processed MSME LQ and labor absorption together have a significant effect on the poverty of districts / cities in Gorontalo Province with a determination of 91.372%. While the remaining 8,628% is explained by other variables not examined in this study such as population, per capita income, government development, investment and central government poverty stimulus policies. Meanwhile, it is seen from the results of each region that Boalemo Regency and Bone Bolango Regency are able to maximize MSME processed food in economic improvement because on average, Boalemo Regency MSMEs have a large market share, namely sold in Pohuwato Regency and Gorontalo Regency even to Gorontalo City; Meanwhile for Bone Bolango, food-processed MSMEs have an ideal market share, namely Gorontalo City, even in Bone Bolango, the economic activity has started to improve because it is a suburb of Gorontalo City.

Increasing the progress of MSMEs will certainly increase the absorption of labor in these MSMEs. Labor absorption is the number of jobs that have been filled, which is reflected in the large number of working people. The working population is absorbed and spread across various

sectors of the economy. The absorption of the working population is due to the demand for labor. Therefore, the absorption of labor can be said to be a demand for labor (Kuncoro, 2012). Indonesia with a large population means that it also has large human resources. Human resources in the form of labor must be utilized to the maximum extent possible. The existing workforce must be able to be absorbed by all economic activities and sectors. The absorption of labor can be related to the balance of the interaction between the demand for labor and the supply of labor, in which the demand for market labor and the supply of market labor together determines a use of equilibrium labor:

Micro, Small and Medium Enterprises (UMKM) still have bright prospects for national economic growth. This good prospect is a breath of fresh air for business actors and also does not rule out the possibility of competition forcing each UMKM to develop a business. According to Putra (2016) that development will be more stable if it is supported by entrepreneurs because the government's ability is very limited. The government will not be able to work on all aspects of development because it requires a lot of budget, personnel, and supervision. Therefore, entrepreneurship is a potential development, both in number and in quality of entrepreneurship itself. With the intention or desire to become entrepreneurial, it will be a leap at least as a hope for the realization of equitable development and community welfare.

This result is in accordance with the statement of Rafinaldy, (2006) that the benefits of MSMEs in the economic sector are its position as the main player in economic activities in various sectors that provide the largest employment, an important player in the development of local economic activities and community empowerment, creator of new markets and sources of innovation, contribution in maintaining the balance of payments through export activities. The role of MSMEs (Micro, Small and Medium Enterprises) has been recognized by various parties as quite large in the national economy (Rinaldi, et al., 2022; Juminawati, et a., 2021; Hayati & Fatarib, 2022). According to Bank Indonesia, some of the strategic roles of MSMEs include: a large number and exist in every economic sector; absorb a lot of labor and each investment creates more job opportunities; have the ability to utilize local raw materials and produce goods and services needed by the wider community at affordable prices. MSMEs face various obstacles both internally and externally, these problems include: accessibility, management, capital, technology, raw materials, information and marketing, infrastructure, bureaucracy and fees, partnerships (Rajamani et al., 2022; Sultan & Sultan, 2020; Al Saifi, 2021; Juardi, 2021; Arifin et al., 2021). From the various problems faced by MSMEs, it seems that capital remains one of the important needs to run a business, both working capital and investment needs (Afifah, 2012; Purwatiningsih et al., 2022; Wiid & Cant, 2021).

According to Haryadi (2016); Bekele & Worku, (2008); Ebitu, (2016); Fatoki, (2014); Bouazza, (2015); Mckague et al., (2011). There are several factors inhibiting the development of MSMEs (Micro, Small and Medium Enterprises), including lack of capital and low managerial ability. Although the demand for their businesses increases due to constraints on funds, they are often unable to meet the demand. This is due to the limited ability to obtain information on procedures for obtaining funds and the limited ability to make proposals for obtaining funds. Most MSMEs run a business without planning, controlling or evaluating business activities (Amit et al., 2022; Ozili, 2020; M Alshater, 2022). The role of government and community participation in realizing development is very crucial. So that the realization of a development based on the needs of the community should and there is a need for participation from the community and the role of the government as a trigger and facilitator in realizing the development of an area (Li et al., 2020; Castro & Vanclay, 2020; Moallemi et al., 2020).

These results are overall in line with the statement of Hapsari et al. (2014) that in economic development in Indonesia, MSMEs are always described as a sector that has an important role, because most of the population has low education and lives in small business activities in both traditional and modern sectors And able to absorb a lot of labor. The role of the small business is a priority part in each planning stage of development which is managed by two departments, namely the Ministry of Industry and Trade, and the Ministry of Cooperatives

and SMEs. Empowerment of MSMEs is very important in an effort to increase economic growth. The contribution of MSMEs to GDP makes an indicator of the importance of MSMEs in increasing economic growth in Indonesia, Gross Domestic Product (GDP) is an indicator of economic growth, where economic growth is the process of increasing per capita output in the long term which can ultimately reduce poverty.

#### **CONCLUSION**

Based on the results of research and discussion, it can be concluded that the LQ of food-processed MSMEs and labor absorption has a negative and significant effect on the poverty of districts / cities in Gorontalo Province, both simultaneously and partially with a coefficient of determination of 91.372%. The results of each Regency / City found that Bone Bolango Regency is the Regency with the highest constant value with a positive value which means that Bone Bolango Regency is a Regency which in reducing poverty is highly dependent on the concentration (superiority) of food MSMEs and the absorption of labor on food-processed MSMEs. Then followed by Boalemo Regency and North Gorontalo Regency. Meanwhile, Gorontalo City, Pohuwato Regency and Gorontalo Regency will experience a reduction in poverty even though they do not maximize the potential of food-processed MSMEs in these districts / cities. Through the results of this study, it is necessary for the government to improve understanding of financial management for MSMEs by holding various trainings in collaboration with universities and banks so that MSME actors will find it easier to manage finances and easier access to banking capital as an effort to diversify and differentiate business so that the higher level of income and profit of MSME actors.

#### **REFERENCES**

- Afifah, R. Z., & Setiawan, A. H. (2012). Analisis Bantuan Modal dan Kredit Bagi Kelompok Pelaku Usaha Mikro oleh Dinas Koperasi dan UMKM Kota Semarang (Studi Kasus: KPUM Di Kelurahan Pekunden, Kecamatan Semarang Tengah) (Doctoral dissertation, Fakultas Ekonomika dan Bisnis).
- Al Saifi, M. (2021). Challenges Facing Micro, Small and Medium-Sized Enterprise (MSMEs) When Accessing Funds from Financial Institutions in the West Bank. *Copyright@ Ashwin Anokha Publications & Distributions*.
- Amit, R., Glosten, L., & Muller, E. (2022). Entrepreneurial ability, venture investments, and risk sharing. In *Venture Capital* (pp. 135-148). Routledge.
- Arifin, R., Ningsih, A. A. T., & Putri, A. K. (2021). The important role of MSMEs in improving the economy. *East Asia Journal of Contemporary Business, Economics and Law*, 24(6), 52-59.
- Basukianto, B., & Rozaq, J. A. (2017). Classification of SME And Potential Areas Based On Map AS Economic Development Strategy (Klasterisasi UMKM dan Potensi Wilayah Berbasis Peta sebagai Strategi Pengembangan Ekonomi Daerah). *Pekommas*, 2(2), 222345. <a href="https://dx.doi.org/10.30818/jpkm.2017.2020204">https://dx.doi.org/10.30818/jpkm.2017.2020204</a>
- Bekele, E., & Worku, Z. (2008). Factors that affect the long-term survival of micro, small and medium enterprises in Ethiopia. *South African Journal of Economics*, 76(3), 548-568. <a href="https://doi.org/10.1111/j.1813-6982.2008.00207.x">https://doi.org/10.1111/j.1813-6982.2008.00207.x</a>
- Bouazza, A. B., Ardjouman, D., & Abada, O. (2015). Establishing the factors affecting the growth of small and medium-sized enterprises in Algeria. *American International journal of Social science*, 4(2), 101-115.
- Castro-Arce, K., & Vanclay, F. (2020). Transformative social innovation for sustainable rural development: An analytical framework to assist community-based initiatives. *Journal of Rural Studies*, *74*, 45-54. <a href="https://doi.org/10.1016/j.jrurstud.2019.11.010">https://doi.org/10.1016/j.jrurstud.2019.11.010</a>

- Ebitu, E. T., Glory, B., & Alfred, U. J. (2016). An Appraisal Of Nigeria's Micro, Small And Medium Enterprises (Msmes): Growth, Challenges And Prospects. *British Journal of Marketing Studies*, 4(5), 21-36.
- Fatoki, O. (2014). The causes of the failure of new small and medium enterprises in South Africa. *Mediterranean Journal of Social Sciences*, 5(20), 922-922. <a href="https://doi.org/10.5901/mjss.2014.v5n20p922">https://doi.org/10.5901/mjss.2014.v5n20p922</a>
- Hapsari, P. P., Hakim, A., & Noor, I. (2014). Pengaruh Pertumbuhan Usaha Kecil Menengah (UKM) terhadap Pertumbuhan Ekonomi Daerah (Studi di Pemerintah Kota Batu). Wacana Journal of Social and Humanity Studies, 17(2), 88-96.
- Haryadi, (2016). Akuntansi Pada Usaha Kecil Menengah. Yogyakarta: Gajah Mada University Pres
- Hayati, S., & Fatarib, H. (2022). The role of small and medium micro enterprises (msmes) in economic development in Bandar Lampung. *International Journal of Environmental, Sustainability, and Social Science, 3*(3), 571-576. <a href="https://doi.org/10.38142/ijesss.v3i3.247">https://doi.org/10.38142/ijesss.v3i3.247</a>
- Juardi. (2021). Perceptions of Micro Small and Medium Enterprise Managers in Financing Accessibility to the Formal Banking Institutions. *Technium Soc. Sci. J.*, 26, 646.
- Juminawati, S., Hamid, A., Amalia, E., Mufraini, M. A., & Mulazid, A. S. (2021). The Effect of Micro, Small and Medium Enterprises on Economic Growth. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, 4(3), 5697-5704. <a href="https://doi.org/10.33258/birci.v4i3.2368">https://doi.org/10.33258/birci.v4i3.2368</a>
- Kuncoro, M. 2012. Otonomi & Pembangunan Daerah, Reformasi, Perencanaan, strategi, dan Peluang, Jakarta: Erlangga.
- Li, X., Zhang, F., Hui, E. C. M., & Lang, W. (2020). Collaborative workshop and community participation: A new approach to urban regeneration in China. *Cities*, 102, 102743. <a href="https://doi.org/10.1016/j.cities.2020.102743">https://doi.org/10.1016/j.cities.2020.102743</a>
- M Alshater, M. (2022). Exploring the role of artificial intelligence in enhancing academic performance: A case study of ChatGPT. *Available at SSRN 4312358*. https://dx.doi.org/10.2139/ssrn.4312358
- Mckague, K., Wheeler, D., Cash, C., Comeault, J., Ray, E., & Tambunan, T. T. H. (2011). Development of small and medium enterprises in a developing country. *Journal of Enterprising Communities: People and Places in the Global Economy*.
- Moallemi, E. A., Malekpour, S., Hadjikakou, M., Raven, R., Szetey, K., Ningrum, D., ... & Bryan, B. A. (2020). Achieving the sustainable development goals requires transdisciplinary innovation at the local scale. *One Earth*, 3(3), 300-313. <a href="https://doi.org/10.5281/zenodo.3992381">https://doi.org/10.5281/zenodo.3992381</a>
- Ozili, P. K. (2020). Theories of financial inclusion. In *Uncertainty and challenges in contemporary economic behaviour* (pp. 89-115). Emerald Publishing Limited. <a href="https://doi.org/10.1108/978-1-80043-095-220201008">https://doi.org/10.1108/978-1-80043-095-220201008</a>
- Purwatiningsih, A., Suprayitno, A., & Haryono, A. (2022). Assessment of MSMEs Working Capital Loans at Bank Mandiri Malang Branch, Indonesia. *International Journal of Research in Social Science and Humanities (IJRSS) ISSN: 2582-6220, DOI: 10.47505/IJRSS, 3*(1), 13-25. https://doi.org/10.47505/IJRSS.2022.V3.1.2
- Putra, A. H. (2016). Peran UMKM dalam Pembangunan dan Kesejahteraan Masyarakat Kabupaten Blora. *Jurnal Analisa Sosiologi*, 5(2).
- Rafinaldy, N. (2006). Memeta Potensi dan Karakteristik UMKM bagi Penumbuhan Usaha Baru. *Infokop Nomor, 29,* 32-41.

- Rajamani, K., Jan, N. A., Subramani, A. K., & Raj, A. N. (2022). Access to finance: challenges faced by micro, small, and medium enterprises in India. *Engineering Economics*, *33*(1), 73-85.
- Rinaldi, F., Maarif, S., Thamrin, S., & Supriyadi, A. A. (2022). Role of Micro, Small, and Medium Enterprises (MSMEs) in Supporting National Defense from Economic Perspective. *Journal of Positive School Psychology*, 8914-8920.
- Sultan, S., & Sultan, W. I. (2020). Women MSMEs in times of crisis: challenges and opportunities. *Journal of Small Business and Enterprise Development*, 27(7), 1069-1083. https://doi.org/10.1108/JSBED-06-2020-0226
- Wiid, J. A., & Cant, M. C. (2021). Obstacles faced by owners of township micro, small and medium enterprises to acquire funds for survival and growth (2010-2020). *Entrepreneurship and Sustainability Issues*, 9(1), 52. <a href="http://doi.org/10.9770/jesi.2021.9.1(4">http://doi.org/10.9770/jesi.2021.9.1(4)</a>