

GENERATING MSMEs BUSINESS THROUGH PENTA HELIX AS A PROGRESSIVE ECONOMY

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ABSTRACT

The growth of MSMEs is the main support for this economic sector, policies and strategies must be followed to increase MSME business. So with this the author examines how progressive economic policies in a fair market economy are. With the objective of a progressive economy, it seeks to influence the market through policies or rules of the game that can improve the welfare of the poor and reduce income inequality and people's welfare. The role of universities can be optimized through the tridharma of higher education. Through the collaboration of Penta Helix, local governments can give the responsibility for community or community empowerment to universities so that their resources can be used more optimally.

Keywords:

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INTRODUCTION

The Minister of Cooperatives and SMEs, Teten Masduki, stated that 2022 is a revival momentum for MSMEs in Indonesia. Of the many business actors, MSMEs are the biggest pillar of national economic income.

In 2022, there are four opportunities for the transformation of MSMEs. First, the population of the younger generation reaches 64% of the total population of Indonesia. Of these, 73% of young Indonesians are interested in entrepreneurship. This must be encouraged to present the momentum of young, productive and competitive entrepreneurs. Many young entrepreneurs have taken advantage of this momentum.

Then the second is the growing potential of our digital economy. In 2021 the value of e-commerce transactions will reach Rp. 395 trillion, this number is estimated to increase. This is due to the large number of e-commerce that have emerged since the beginning of the covid pandemic.

Based on data from Google, Temasek, and Bain & Company, the value of the digital economy is estimated to reach US\$ 146 billion or Rp. 2100 trillion in 2025. During the Covid-19 pandemic, MSME transactions in the online market increased by 26%, recording 3.1 million transactions per day and an increase of 3.1 million transactions per day. 35% delivery of goods. Indonesia has gained 21 million new digital consumers since the start of the pandemic, and uniquely 72% are not from this metropolitan city, which is very positive for the growth of penetration in the digital market.

For the third year 2021, the credit limit will be increased to IDR 373.17 trillion. The relaxation of the currency policy continued with the provision of a 3% interest subsidy for 6 months. In 2024, the government targets the portion of banking credit for MSMEs to also be increased to 30%. Fourth, Indonesia's involvement in various international forums also provides great flexibility for the development of MSMEs in the country.

MSMEs will be one of the bearings for the economic recovery in 2022. The impact of the Covid-19 pandemic is 98% of MSMEs experiencing demand shock and supply shock problems, among others due to reduced orders, distribution difficulties and difficulties in obtaining raw materials. The MSME indicator target in 2022 is the contribution of MSMEs to GDP of 63%, the ratio of MSME loans to total bank loans of 20.9%, and the national entrepreneurship ratio of 3.75%. The MSME recovery strategy for 2022 is interest subsidies for MSME loan restructuring, MSME loan guarantees, expansion of business assistance services, business resilience training, and productive assistance for micro-enterprises.

The government is also implementing a strategy to increase the added value of MSMEs in 2022, namely developing regional-based integrated MSME potentials, increasing MSME digital capabilities, replicating MSEs and MSEs strategic partnerships, and developing joint production spaces for MSME centers. In 2022, a major integrated MSME management project will be implemented in 5 provinces, namely Aceh (Nilam), Central Java (Wood), East Kalimantan (Biofarmaka), North Sulawesi (Coconut) and NTT (Cattle).

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RESULT AND DISCUSSION

Progressive Economy

A progressive economy is philosophically defined as the opposite of a liberal economy, a laissez-faire economy, or a capitalist economy. Many organizations or institutions that promote a progressive economy can be categorized as anti-capitalist organizations. Progressive economic principles and policies are based on Keynes, Marxist, and socio-economic thought or left-wing paradigms (Mersch, 2013).

Keynes's thought was that the economic process was based on the development of potential output, which emphasized the importance of aggregate demand as the main driving force of the economy. He argues that government policies can be used to increase demand at the macro level thereby reducing unemployment and deflation. Keynes concluded that there is no automatic tendency to move output and employment to full employment conditions (Hoppe, 2007) except through government intervention.

Former President of the United States, Bill Clinton, built a foundation to develop a progressive economy on the basis of "put a human face on the global economy". He emphasized that progressive economies develop public policy thinking and solutions for trade and globalization, to promote broad sharing of opportunities and prosperity, strengthen peace and security, build and improve the rule of law, promote scientific and technological progress, and reduce global poverty (www.progressiveeconomy.org).

Progressive economics is said to be a left-wing paradigm so that it is clearly contrary to the right-wing, which is a capitalist economy that adheres to a free market system. The idea behind it is that the free market is unfair (unfair), more profitable big companies (corporations), and the wealthy (wealthy). Therefore, a progressive economy promotes a fair market economic system that results in wealth being normally distributed throughout

society because in reality there is a very large income inequality between the rich and the poor. Thus, a progressive economy seeks to influence the market through policies or rules of the game that can improve the welfare of the poor and reduce income inequality and people's welfare.

Many policies and actors play a role in increasing and reducing inequality in community welfare, including the government, the private sector, and universities. Because the welfare of society is complex, it is necessary to have cooperation between various related parties. The collaboration between universities, companies, and the government is known as the Triple Helix ABG (Academic-Business-Government). This policy does not seem to touch the lives of small communities because the companies that are able to cooperate are large companies, while more than 90% of businesses in Indonesia are Micro, Small and Medium Enterprises (MSMEs) which are more community-based. Therefore, the approach needs to shift to Penta Helix ABCGM (Academic-Business-Community-Government-Media).

Progressive Economy as Inclusive Development

Progressive economics has been the subject of a long and longstanding academic and political debate. The European Union has even established several specialized institutions that study progressive economies, such as the Progressive Economy Forum, Progressive Economy Academic Project, and the Progressive Economy Parliamentary Alliance (Mersch, 2013). These institutions are principally intended to create public debates geared towards contributing to thought and action to realize a progressive economy. In accordance with Keynes's principle that public welfare can be achieved through government intervention or intervention.

As an anti-capitalist view, a progressive economy prioritizes the welfare of the community at large, not only the owners of capital or the rulers of productive resources. If the increase in people's welfare in a market or capitalist economy can be exclusive to people who control productive resources, then welfare in a progressive economy is inclusive for all levels of society.

According to Sen (2000), the problem of social inclusion is an unfavorable condition of a certain person or social group because they are marginalized by other people or groups for the various opportunities and opportunities available. Thus, if there is a problem of social inclusion, then in the community concerned there will also be social classes so that it limits social mobility vertically.

In poverty theory, the problem of social inclusion includes structural poverty. Structural poverty views that a person is poor because of structural barriers that systemically have made the person not have equal access or opportunity to change his poverty condition (Rejekiingsih, 2011).

Referring to the principles of a progressive economy and a market economy, the success of development as measured by economic growth does not guarantee a good level of public welfare. Rauniyar and Kanbur (2010) emphasize that it is necessary to distinguish the concepts of growth and development. Development has an influence on the dimensions of welfare (well being) that are broad and not only measured by income (income) alone. If it is associated with inclusive development, development emphasizes efforts to encourage development that pays attention to the equitable distribution of welfare (well being) in society.

The Government of Indonesia considers that a progressive economy is very important to realize, so inclusive development has been established through Law Number 17 of 2007 concerning the National Long-Term Development Plan (RPJPN) as a national development target in the 2005-2025 development planning period.

Penta Helix policies in a progressive economy

The objective of progressive economic national development is to improve the welfare of the community that is inclusive. Therefore, the community should be the focus and the subject not the object of development. However, an individual approach to the community is more difficult than a group approach. Therefore, community groups or communities need to be involved in the development process to become a Penta Helix as shown in the following figure.



Picture 1. Penta Helix approach as collaboration

The community in question is a collection of individuals who have similar intentions, beliefs, resources, preferences, needs, risks and a number of other conditions. Community comes from the Latin *communitas* which means "similarity", then it can be derived from *communis* which means "equal, public, shared by all or many". (Wenger, 2002: 4). Viewed from interest, community is a group of people who establish a community because they have the same interests and interests, such as religion, occupation, ethnicity, race, or based on sexual disorders. Communities are generally informal and do not have written rules. Therefore, it is often not touched by formal government programs.

The Penta Helix concept is an evolution of the Triple Helix concept by integrating the roles of academics, entrepreneurs, government and society in creative and knowledge activities. In his research, Mulyana (2014) stated that the Penta Helix concept is a solution for the development of creativity, innovation and technology for SMEs. The discussion on the creativity and innovation performance of MSMEs with the support of Penta Helix is still unclear and very limited. Currently, the Indonesian government continues to strive to improve the quality of MSME human resources in a more innovative, creative and positive manner so that they can operate in an innovation-based economy. Collaborating with academics, entrepreneurs, and supporting communities who are members of Penta Helix to increase the growth of MSMEs in Indonesia.

The pentahelix concept that combines the roles of academics, business entities (business), communities, government, and the media aims to develop knowledge innovations that have the potential to transform into products and services that are valuable and beneficial to the MSME community. By finding a partnership pattern involving various parties and roles, this goal also supports the realization of the Sustainable Development Goals (SDGs) in achieving accelerated economic development, food and energy security, welfare, and environmental improvement. In summary, the pentahelix concept is one way to overcome the problem of MSMEs and develop programs by involving cross-sectors to collaborate with each other. The focal point of Penta Helix is the collaboration between the government and stakeholders to the MSME community.

CONCLUSION

In this case, the role of universities can be optimized through the tridharma of higher education. Through the collaboration of Penta Helix, local governments can give the responsibility for community or community empowerment to universities so that their resources can be used more optimally. the concept of collaboration between academia, industry, government and society, and that each role of the helix is equally important to encourage innovation and creativity for MSMEs.

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