



The Role Of Local Government In Creating Business Sustainability: Case Study On Keris Msmes In Aeng Tong-Tong Village

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ABSTRACT

Purpose: This study aims to determine the role of the Sumenep Regency government in creating business sustainability for Keris MSMEs in Aeng Tong-tong Village.

Methodology/approach: Research conducted using qualitative research types. The types of data in this study are subject and documentary data. The data sources used are primary data and secondary data. Data collection techniques carried out by researchers use observation, documentation and interviews.

Findings: The results of this study show that the role of the government in creating Business Sustainability in MSMEs is in the form of promotions, exhibitions, cost assistance for jamming, and coaching through tourism awareness groups (*pokdarwis*). Apart from that, the people of Aeng Tong-Tong village took the initiative by participating in events independently, namely participating in provincial and national Tourism Village competitions.

Practical implications: However, there are several forms of government policies in supporting social policies such as participating in tourism village competitions, assistance with jamasan fees, and pelar agung. For now, the government's efforts in supporting the creation of environmental sustainability have not been felt by keris craftsmen. Because the focus of the local government for now only focuses on how to advance business development, namely by improving the economic performance of the kris craftsmen themselves.

Originality/value: This research is considered very interesting to be carried out in Sumenep Regency considering the lack of research discussing Business Sustainability in the Sumenep area, as well as the number of MSMEs in Sumenep Regency will certainly feel the impact on the implementation of Business Sustainability.

Keywords: Business Sustainability, Keris, The Role of Government

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INTRODUCTION

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Business Sustainability is a form of consistency of business conditions, where continuity is a process of business continuity both including growth, development, strategies to maintain business continuity and business development which all boil down to business continuity and resilience ([Riyanti & Aini, 2022](#); [Riyanti, Krismonika, & Septiana, 2022](#); [Widayanti, Damayanti, & Marwanti, 2017](#)). *Business sustainability* has an important role in encouraging business excellence in a company. In large companies, regularly audited sustainability practices are made into their company's annual report. However, in the case of small and medium-sized enterprises (SMEs), this is an under-researched area. For SME sustainability practices, especially those related to social and environmental aspects are highly ignored ([Das & Rangarajan, 2020](#); [Rehman, Bresciani, Yahiaoui, & Giacosa, 2022](#)).

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This is particularly true for SMEs in emerging markets. Previous research has also been conducted similar research related to Business Sustainability, the results of the research conducted show that the application of Business Sustainability carried out in several regions at the research locus has a positive impact on business actors in the area with increased production results which are the influence of the implementation of Business Sustainability ([Agustina, Gerhana, & Sulaiman, 2020](#); [Asriati, Syamsuri, Thoharudin, Wardani, & Kusuma Putra, 2022](#); [U. Hasanah, Oktavendi, & Ulum, 2022](#); [Islami, Supanto, & Soeroyo, 2021](#)), not only that, the results of previous research also provide solutions in improving or developing businesses in the area ([Indrawati, 2020](#); [Maksum, Rahayu, & Kusumawardhani, 2020](#); [Mutalimov, Kovaleva, Mikhaylov, & Stepanova, 2021](#)). Therefore, this research is considered very interesting to be carried out in Sumenep Regency considering the lack of research discussing Business Sustainability in the Sumenep area, as well as the number of MSMEs in Sumenep Regency will certainly feel the impact on the implementation of Business Sustainability. This research was conducted on Keris MSMEs in Madura, especially in Sumenep Regency.

The craftsmen are spread across 3 sub-districts, namely Saronggi District, Bluto District, and Lenteng District. This kris craft is able to make a major contribution to the economic improvement of the community in a certain industrial development area. Keris MSMEs are still classified as micro businesses, which are classified as below the minimum income, and until now kris craftsmen have no accounting records. However, the relationship of accounting in this study lies in the sustainability dimension of MSMEs Keris Aeng Tong-tong Village. There are 3 dimensions of sustainability, namely economic, social and environmental sustainability. With the sustainability performance, it can certainly increase Indonesia's economic development. And kris crafts are excellent in Sumenep Regency because they provide many benefits to support regional economic development in Sumenep Regency itself and be able to improve the community's economy. The economic

improvement in Sumenep Regency can be seen from the economic growth of Sumenep Regency, over the past five years it has made very significant progress.

LITERATURE REVIEW

Sustainability Theory

Sustainability *theory* was first proposed by [Meadows, Meadows, Randers, and Behrens \(1972\)](#) who explained that community efforts to prioritize social responses to environmental and economic problems. This social response is expected to meet the needs of the present and future generations ([Drolet, Désormeaux-Moreau, Soubeyran, & Thiébaud, 2020](#)). The reason for using theory in this research capacity is to measure how business sustainability in the keris industry, and how the role of the government in supporting the creation of *Business Sustainability* in the kris craft industry in Madura.

Business Sustainability

Business Sustainability is a state or condition of business, in which there are ways to maintain, develop and protect resources and meet the needs that exist in a business (industry) ([Riyanti & Aini, 2022](#); [Riyanti et al., 2022](#); [Widayanti et al., 2017](#)). The methods used are sourced from their own experience, others, and based on economic conditions or conditions that are happening in the business world (business). So, business continuity (*Business Sustainability*) is a form of consistency of business conditions, where this continuity is a process of business continuity both including growth, development, strategies to maintain business continuity and business development where all of this boils down to business continuity and existence (resilience).

The Role of Government

Role is a dynamic aspect of a person's position or status and occurs when a person carries out his rights and obligations in accordance with his position, then he carries out a role ([M. Hasanah, 2021](#); [Hughes, 1937](#); [Pierce, 1956](#); [Setiawati et al., 2019](#)). The role of government is the relationship between the government and those who are governed in order to achieve the desired goals([Ciborra, 2005](#); [Li & Shang, 2020](#); [Miller & Rose, 1990](#); [Stone, 1993](#); [van Zeijl-Rozema, Cörvers, Kemp, & Martens, 2008](#); [Zwitter & Hazenberg, 2020](#)).

METHODS

This research uses qualitative methods. This type of research approach is a case study. In the implementation of this research, researchers used a series of research processes, namely by face-to-face with informants with a period of five months, this aims to obtain clear information about the role of local governments in creating Business Sustainability: Case Study on Keris MSMEs in Aeng Tong-Tong Village. The location of the study was conducted in Aeng Tong-tong Village, Saronggi District, Sumenep Regency, East Java.

The subject data in this study is the person who is the source of information, namely the Head of the Tourism, Culture, Youth and Sports Office of Sumenep Regency, and the Cooperative Office, Small and Medium Enterprises, Industry and Trade of Sumenep Regency and Keris MSME Actors. Documentation data in this study is in the form of photos related to this study, namely interviews with resource persons when digging for information. The source of data used in this study is primary data. Primary data was obtained from interviews with relevant local governments and MSME actors to find out the role of the government in supporting the creation of sustainability performance in MSMEs in Aeng Tong-tong Village.

The key informants in this study are the relevant Sumenep Regency Regional Government, namely the Head of the Sumenep Regency Tourism, Culture, Youth and Sports Office, and the Sumenep Regency Cooperatives, Small and Medium Enterprises, Industry and Trade Office. The agency was chosen because some of these agencies oversee kris MSMEs in Aeng tong-tong Village. The supporting informants in this study are the owners of Keris MSMEs in Aeng Tong-tong Village, namely Empu Sanamo, and Empu Hasyim. The selection of Empu Sanamo and Empu Hasyim as supporting informants of the many masters in Aeng Tong-tong Village because these two masters are often invited by the official when there are events related to keris.

Data Collection Techniques

In this study, researchers used several data collection techniques including observation with this observation by going directly to the research location, namely Aeng Tong-tong Village, Saronggi District, Sumenep Regency, documentation in the form of Photos related to this research are interviews with sources when digging for information, and Interviews with informants Regarding the role of government in creating Business Sustainability at Keris MSMEs in Aeng Tong-tong Village.

Data Analysis Techniques

Data analysis is carried out continuously until completion, so that the data has experienced saturation. Data analysis activities include: (1) Data Reduction; In this study, data reduction is carried out by sorting data and then choosing important main things related to the research topic, namely the role of local governments in creating business sustainability with the aim of sorting data in accordance with research needs. The data that has been collected will support the research process carried out by researchers and make it easier to collect further data. (2) presentation of Data; In this study, the form of data presentation in the form of narrative text (in the form of field notes), matrices, graphs, networks or charts is related to the role of local governments in creating Business Sustainability for Keris MSMEs in Aeng Tong-tong Village. Through the presentation of the data, later the data will be organized and arranged in a relationship pattern, so that it will be easier to understand. (3) Drawing Conclusions, thus it can be concluded in this qualitative research can

answer the formulation of the problem formulated from the beginning, and also explain the findings of this study.

Data Validity Test

In this study, researchers obtained data related to the role of local governments in creating Business Sustainability in Keris MSMEs from several sources, namely the relevant Sumenep Regency Regional Government, namely the Head of the Sumenep Regency Tourism, Culture, Youth and Sports Office, and the Sumenep Regency Cooperatives, Small and Medium Enterprises, Industry and Trade Office as key informants and Keris MSME actors as supporting informants.

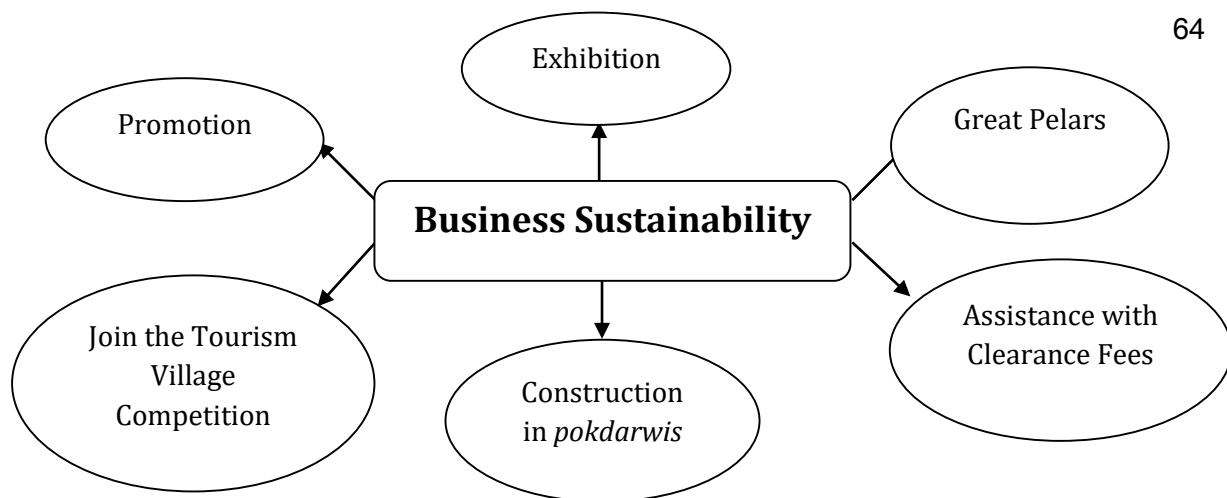
RESULTS & DISCUSSION

The role of the Sumenep Regency Government in creating *Business Sustainability* for kris MSMEs in Aeng Tong-tong Village

Based on observations and interviews regarding the Role of the Sumenep Regency Government in creating *Business Sustainability* for kris MSMEs in Aeng Tong-tong Village, researchers found the role of government which can be seen in figure 1. However, the results of the data obtained through the research process explain that there are no special regulations or regional regulations that really regulate business sustainability in Keris MSMEs. Even though this kris MSME market touches the global level, there should be special regulations that regulate business sustainability. Business sustainability itself is an effort to create the welfare of business people with continuous business (*continue*) on a balanced and proportional scale. In addition, business sustainability policy can be said to be a map that describes a series of processes that must be carried out by craftsmen, so that the kris craftsmen are no longer skeptical in the next step because there are already a series of activities that must be carried out *continuously*. That way it will create stability from the productivity of kris and lead to the welfare of keris craftsmen.

Although there are no special regulations or regional regulations governing the sustainability of keris in keris MSMEs in particular, the local government certainly does not just let go of handicrafts that have become the *branding of* the city of Sumenep. Local governments through related agencies often become facilitators to introduce kris to the public. This is proven by the government's participation in exhibiting kris when there is an exhibition event in the city or even outside the city. At least with the exhibition, kris will be better known by the public in the hope that it will attract public interest. Especially if there is an exhibition event held outside the city, of course, it will be unique for them to see kris, which of course not all regions have craftsmen. In this case, the government brings samples of keris that are ready to be marketed to be exhibited at the exhibition, the government does not charge a

penny to craftsmen even though they help exhibit their products, especially if there are keris sold, the money is fully given to the owner of the keris itself.



Source: processed by researchers (2022)

Figure 1. Role of Local Government

Apart from that, the relevant government utilizes technological sophistication today by promoting keris on its social media, so that keris is no longer foreign to the public with the aim of attracting interest to people who see it. Utilizing social media at this time is certainly a necessity that needs to be done because everyone nowadays is not very easy to access social media, and now the majority of kris handicrafts are sold through social media, in addition to being more effective with social media kris sales are increasing compared to selling in the local market. Keris is uploaded to social media Facebook, Instagram, and WhatsApp when there is interest in the posted kris, consumers immediately interact with the producer through social media, finally if there is an agreement between the two kris will be sent using existing expedition services. With social media, kris even attracted the interest of foreign people, and not a few kris are sold to other countries. So the action taken by the government by promoting keris on their social media has become the right choice to help sell kris.

The government has also helped with a nominal amount of up to 50 million at the loan ceremony in 2019. Jamasan is a process of purifying kris which is only done once a year precisely in the month of Suro in Islamic kaleder, jamasan is carried out because it is believed that in that one year the kris has absorbed negative energy from its owner, therefore it must be done once a year. This activity is also unique for people who have an interest in kris. Moreover, it is packed with great fanfare, of course, it will become more and more attractive. And sure enough, at the implementation many came to watch the procession, even those who came, not only local tourists but also many foreign tourists who participated in the procession. With the arrival of tourists to Sumenep Regency, it is not only beneficial for kris MSMEs, but also increases the

branding of the city and indirectly makes the economy rotate in Sumenep. Because tourists who come from outside at least need to eat and sleep, therefore traders also feel the benefits, and hotels or *homestays* will be used by tourists to become temporary resting places for them.

Apart from that, the government's seriousness in prospering MSME actors can be seen by sheltering a group called the tourism awareness group (*pokdarwis*). With this group, the government provides training or stimulation of ideas to its members on how to utilize the potential of the village to be managed as attractive as possible which aims to attract tourists to visit the village. With this *pokdarwis*, it is easier for people to convey their aspirations to the government. One of the studies in this *pokdarwis* is how to keep kris craftsmen prosperous and also think about the condition of craftsmen for the next generation. Because with the very significant increase in technology, it is feared that the generation of kris craftsmen will decline or even not exist, because many of the youth have been dissolved in the sophistication of technology. Therefore, *pokdarwis* and the government synergize to solve the problem.

To maintain the stability of keris crafts, the people of Aeng Tong-tong do not only depend on the role of the government. The community struggled with an internal group in the village whose members were all keris craftsmen, the group was called Pelar Agung, in the group there was a routine agenda that was carried out every two weeks, the agenda in addition to aiming to strengthen family ties among craftsmen was also used as a keris transaction. The great pelar group also often participated in the competition even without assistance from the government. One of the competitions that has been participated in is the tourist destination competition in Indonesia, and Aeng Tong-tong village is included in the top 50, and in the tourist destination competition in East Java, Aeng Tong-tong village is included in the top 5. This is an achievement that should be appreciated because the inclusion of Aeng Tong-tong at *the event* not only increases the existence of his village but also improves the image of Sumenep City.

Synergy in creating a sustainable business is seen between the community and the village government. This can be seen from the establishment of the keris gallery which is fully financed by the village government. This keris gallery is always an object in every tourist visit, because in the gallery not only displayed various kinds of keris but also there are keris marketed in the gallery. From the results of the research conducted, it can be concluded that there is indeed no regional regulation that regulates *business sustainability* in writing, but the synergy between local governments, village governments and communities who are aware of the importance of caring for culture and creating tourism villages is not an obstacle to creating all of that.

When associated with the theory of *sustainability*, there are several things that cause the sustainability of a business. The business sustainability in question is government involvement to support MSME activities. In the results of this study, it supports the basic theory used in this study, where the government has played a role in the sustainability of Keris MSMEs such as promoting through social media, facilitating exhibitions, participating in tourism village competitions, conducting coaching through tourism awareness groups (pokdarwis) and helping with jamasan costs.

Referring to the sustainability dimension in this study, where the three dimensions are economic, social and environmental sustainability. So it can be stated that the form of the government's role in supporting *business sustainability* in MSMEs Keris Aeng Tong-tong Village is currently still focused on supporting economic sustainability. The form of economic policy from the government is to provide access to keris craftsmen to participate in exhibitions, help keris craftsmen through promotion through social media such as Instagram, Facebook, and WhatsApp. However, there are several forms of government policies in supporting social policies such as participating in tourism village competitions, assistance with jamasan fees, and pelar agung. For now, the government's efforts in supporting the creation of environmental sustainability have not been felt by keris craftsmen. Because the focus of the local government for now only focuses on how to advance business development, namely by improving the economic performance of the kris craftsmen themselves.

CONCLUSION

Based on the results of the analysis of the role of local governments in creating *business sustainability in the case study of Aeng Tong-tong village* that has been described, it can be concluded that the dimensions of sustainability in this study are economic, social and environmental sustainability. The form of the government's role in supporting *business sustainability* in MSMEs Keris Aeng Tong-tong Village is currently still focused on supporting economic sustainability. Examples of forms of economic policy from the government are providing access to keris craftsmen to participate in exhibitions, helping kris craftsmen through promotion through social media such as Instagram, Facebook, and WhatsApp. However, there are several forms of government policies in supporting social policies such as participating in tourism village competitions, assistance with jamasan fees, and pelar agung. For now, the government's efforts in supporting the creation of environmental sustainability have not been felt by keris craftsmen. Because the focus of the local government for now only focuses on how to advance business development, namely by improving the economic performance of the kris craftsmen themselves.

For the Government, the Government must pay more attention to keris craftsmen, especially those in Aeng tong-tong Village, because keris itself has

become an *icon* of Sumenep so keris must be a branding priority for Sumenep regency. Moreover, Aeng tong-tong village is often visited by tourists to see or buy the kris handicrafts. So the transportation route to get to Aeng tong-tong village had to be improved because it was also part of the face of Sumenep district. The direction of the road to get to Aeng tong-tong village until now there are still no directions, many tourists are lost when they want to get to Aeng tong-tong village because they only follow the directions of google maps, so this must also be addressed by the Sumenep district government. The last is that there must be a government contribution to develop or increase the productivity and marketing of kris products from Aeng tong-tong. For MSME Actors, MSME Actors must be more independent by not relying on government assistance alone, but taking advantage of existing opportunities. Such as, participating in tourist village competitions, and participating in cross-provincial exhibition events.

For further research, further research is expected to be a source of information and reference to apply the various theories studied, so that it will increase the reader's knowledge and insight and can be used as a comparative study for future research. Further research is also expected to use more informants, in order to deepen the sustainability dimension, especially on environmental sustainability factors.

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