

# The Role of the Office of Cooperatives, MSMEs, and Labor in Empowering Micro, Small, and Medium Enterprises in Palu City (Evidence from 2022)

Original Article

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## Abstract

MSMEs are vital to Indonesia's economy, making a substantial contribution to GDP and employment. Nevertheless, a number of MSME players encounter obstacles such as restricted capital availability, weak financial management abilities, and a lack of appropriate business mentoring. This study aims to analyze the role of the Cooperative, MSME, and Labor Department of Palu City in empowering Micro, Small, and Medium Enterprise (MSME) actors in 2022. The method used is descriptive with a qualitative approach. Data sources in this study consist of primary and secondary data. Primary data was obtained through direct interviews with staff of the Cooperative, MSME, and Labor Department of Palu City who work in the MSME field. Secondary data was obtained from official documents and archives (RSIP) owned by the department, particularly those related to MSME empowerment programs. Data collection techniques used include interviews, documentation, and collection of related documents from relevant agencies. Research results show that the Cooperative, MSME, and Labor Department of Palu City has implemented various empowerment programs, such as providing equipment and capital assistance, as well as business mentoring. The total business capital funds distributed to 1,101 MSME actors reached Rp2,202,000,000, and equipment assistance was adjusted according to each type of business. This program positively impacts MSME growth and poverty reduction in Palu City, despite challenges like low awareness of training, uneven mentoring, and limited capacity in business management and financial recording. Therefore, more intensive, integrated, and sustainable empowerment strategies are needed to optimally improve MSME capacity and competitiveness.

**Keywords:** Business Mentoring, Cooperative MSME and Labor Department, Economic Growth, Financial Management, MSME Empowerment.

## 1. Introduction

Empowering micro, small, and medium enterprise (MSME) actors is one strategy to improve the economy and community welfare. MSMEs play an important role in Indonesia's economy because MSMEs are a source of income and employment for most of society (Audina et al., 2024; Maksum et al., 2020). The Cooperative, MSME, and Labor Department of Palu City is a regional apparatus organization that has an important role in empowering MSMEs in Palu City. This department has the task of developing and improving MSME capabilities in Palu City.

In the context of economic development in Indonesia, the micro, small, and medium enterprise (MSME) sector has an important role in Indonesia's economic development (Edelia & Aslami, 2022). Based on data from the Ministry of Cooperatives and MSMEs and the Central Statistics Agency (BPS), MSMEs contribute more than 60% to the national Gross Domestic



Product (GDP) and absorb about 97% of the workforce. Therefore, MSMEs are called the backbone of the economy because of their large contribution to economic growth, labor absorption, and more equitable income distribution.

One of the efforts to improve the welfare of micro business actors is through the role of the Cooperative and MSME Department, which has the responsibility to provide support, guidance, and facilitation to business actors so they can develop and compete in the market. However, in the context of Palu City, Central Sulawesi Province, micro business actors still face various problems that hinder their business development. These problems include low awareness of business actors to participate in training and mentoring, minimal financial recording and simple bookkeeping, as well as thinking patterns that tend to be short-term oriented, thus not encouraging innovation and business development. In addition, mentoring provided by the Cooperative and MSME Department has not reached all business actors due to resource limitations, and access to business capital is still limited due to administrative constraints and business legality.

In this case, the role of the Cooperative and MSME Department in Palu City, Central Sulawesi Province, becomes very important in efforts to empower micro business actors. Through various programs and policies implemented by the Cooperative and MSME Department, it is expected to have a positive impact on micro business development in the region. In addition, the workforce also has an equally important role in supporting micro business actor empowerment, because with skilled and trained workers, it is expected to increase productivity and quality of products produced.

The Cooperative, MSME, and Labor Department is a regional government institution that has responsibility for fostering and developing cooperatives, micro, small, and medium enterprises, as well as the workforce (Kurniadi et al., 2024; Sulistyono et al., 2022). To carry out these responsibilities, this department has main functions in terms of guidance, supervision, control, and implementation of development programs in the field of cooperatives and MSMEs. Various programs implemented by the Palu City Government through the Cooperative, MSME, and Labor Department, including the Social Department, are compiled as a response to real problems faced by MSME actors, such as limited capital, lack of business mentoring, and low managerial capabilities and financial recording. Hence, the role of this department is very important in helping micro business actors to develop and become more independent in managing their businesses (Arifin et al., 2021).

Suryono (2010) points out that there are four strategies in empowering communities: first, empowering communities by socializing the role of communities as subjects. Second, utilizing mechanisms for organizing community development or empowerment in an aspirational, democratic, effective, and efficient manner. Third, mobilizing human resources such as energy, thoughts, and abilities according to their professionalism. Fourth, maximizing the role of government.

Empowering micro, small, and medium enterprise (MSME) actors is a key strategy to enhance the economy and well-being of the community, making the role of the Palu City Department of Cooperatives, MSMEs, and Labor crucial in providing training, facilitating financing, and mentoring. Research (Prasannath et al., 2024) indicates that the effectiveness of public support depends on the quality of policies, institutional coordination, and policy adjustment to sectoral needs. Additionally, digital adaptation and technological readiness are critical factors determining the success of MSMEs in adopting innovation and expanding market access, highlighting the importance for empowerment programs to incorporate digitalization strategies and enhance absorptive capabilities (Anatan & Nur, 2023).

The practice of green supply chains and sustainable innovation has also been proven to enhance the long-term competitiveness of MSMEs, thus, public interventions ideally should combine technical support, green incentives, and supplier network strengthening (Wiredu et al., 2024). Research (Lee & Trimi, 2021) on convergent innovation emphasizes the importance of collaboration among stakeholders (government, universities, businesses, markets) to build an adaptive and resilient MSME ecosystem, a relevant approach for the efforts of the Palu City Government in developing sustainable and inclusive empowerment initiatives.

Previous studies have shown that the role of the Cooperative and MSME Office is generally viewed as effective through various programs such as equipment assistance, entrepreneurship training, market access facilitation, and regional policy support, although on the other hand, it still faces constraints in the form of budget limitations, infrastructure, and uneven focus of empowerment for all business segments (Sembiring, 2025; Zainuri et al., 2025). However, most of these studies still focus on the technical effectiveness of programs in specific local contexts, so there has not been much examination of aspects of long-term MSME sustainability, adaptation strategies to digitalization, and patterns of inter-stakeholder synergy in building a resilient business ecosystem. Thus, there is a research gap in the form of a need for more comprehensive analysis regarding how the role of the Cooperative and MSME Office is not only as an implementer of technical programs, but also as a key factor in building a sustainable, innovative, and adaptive MSME empowerment ecosystem that responds to changes in the modern economic environment.

This research aims to examine in depth the role of the Office of Cooperatives, MSMEs, and Labor in empowering micro-business actors in Palu City, Central Sulawesi Province. This study is important to conduct considering that MSMEs have a strategic position as pillars of the regional economy, but still face various challenges such as capital limitations, lack of assistance, and low competitiveness. Through in-depth analysis, this research is expected to be able to provide a real picture of the extent to which the government's role in supporting micro-business actors. In addition, the research results are also expected to present appropriate solutions and recommendations to improve welfare and strengthen the competitiveness of micro-business actors in Palu City, so that they are able to survive while developing in facing increasingly fierce economic competition.

## 2. Literature Review

### 2.1. Empowerment Theory

Empowerment linguistically comes from the word "power" which means energy/strength, process, way, act of empowering. Empowerment is an effort that builds community power by encouraging, motivating, and raising awareness of the potential possessed and striving to develop it. Empowerment as a process of change then has a meaningful concept. In other words, the possibility of an empowerment process occurring depends on two things: first, that power can change. If power cannot change, empowerment cannot occur in any way. Second, that power can be expanded. This concept emphasizes the understanding of power that is not static, but dynamic.

According to Ife as written by Suharto (2005), empowerment aims to increase the power of weak people. According to Parsons as written by Suharto (2005), empowerment is a process by which people become strong enough to participate in various controls over, and influence on events and institutions that affect their lives. Empowerment emphasizes that people acquire sufficient skills, knowledge, and power to influence their lives and the lives of others who are their concern. Meanwhile, according to Swift and Levin as written by Suharto (2005),

empowerment refers to efforts to reallocate power through changing social structures. Thus, empowerment is both a process and a goal.

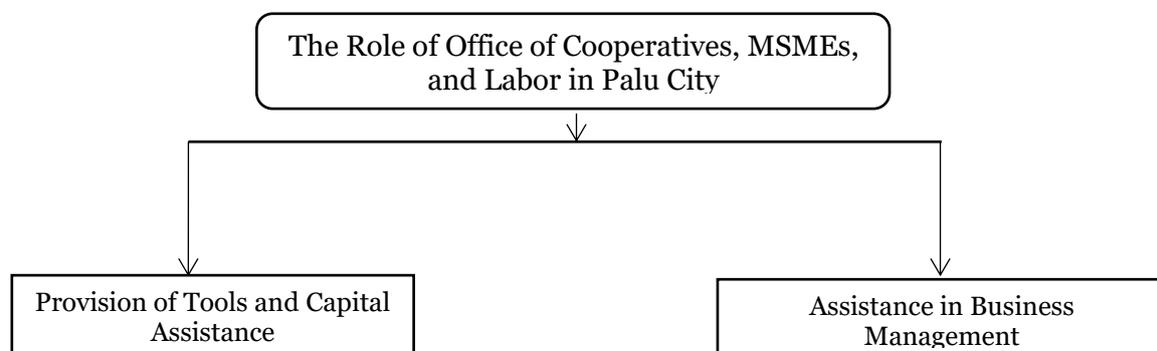
Empowerment as a process is a series of activities to strengthen the power or empowerment of weak groups in society, including individuals experiencing poverty problems. Meanwhile, empowerment as a goal refers to the state or results to be achieved by social change, namely an empowered society, having power or having knowledge and ability to meet life needs both physical, economic, and social such as self-confidence, being able to convey aspirations, having livelihoods, participating in social activities and being independent in carrying out life tasks. The understanding of empowerment as a goal is often used, so indicators of empowerment success as a process.

**2.2. Micro, Small, and Medium Enterprises (MSMEs)**

Micro, Small, and Medium Enterprises (MSMEs) are forms of independent businesses run by people. The following conditions are in accordance with Law Article 1 Number 20 of 2008 which regulates Micro, Small, and Medium Enterprises:

- 1) Small business is an economic business that operates independently from other businesses and is run by individuals or legal entities that are not subsidiaries or branches of larger companies, but are owned, controlled, or integrated directly or indirectly with medium or large businesses. Large-sized companies that meet the legal definition of small business.
- 2) Medium business is a profitable independent business run by individuals or legal entities that are directly or indirectly owned, controlled, or integrated into Small Business or Large Business with the amount of Net Wealth or Annual Sales Results as referred to in the Law.
- 3) Large Corporation is a productive economic business run by business entities with net wealth or annual sales results greater than Medium Business, which includes domestic businesses owned by the state or private sector, joint ventures, and international companies operating businesses in Indonesia.

Article 2 of Law Number 20 of 2008 states that Micro, Small, and Medium Enterprises (MSMEs) are based on family principles, economic democracy, togetherness, justice efficiency, sustainability, environmental insight, independence, balance, and national economic unity. Article 3 of Law Number 2008 on "Micro, Small and Medium Enterprises aims to grow and develop their businesses in order to build a national economy based on just economic democracy."



**Figure 1. Research Framework**

### 3. Methods

#### 3.1. Research Type

This study uses descriptive research with a qualitative approach. The main focus in this study is the implementation of MSME empowerment carried out by the Cooperative, MSME, and Labor Department of Palu City. The research was conducted in Palu City as the main location for data collection.

#### 3.2. Data Sources

Data sources in this study consist of primary and secondary data. Primary data was obtained through direct interviews with staff of the Cooperative, MSME, and Labor Department of Palu City who work in the MSME field. Secondary data was obtained from official documents and archives (RSIP) owned by the department, particularly those related to MSME empowerment programs.

#### 3.3. Data Collection Techniques

Data collection techniques used include interviews, documentation, and collection of related documents from relevant agencies. To analyze the obtained data, researchers used descriptive qualitative data analysis techniques developed by Miles and Huberman, which include three main stages: data reduction, data presentation, and conclusion drawing/verification (Sugiyono, 2019).

#### 3.4. Population and Sample

The population in this study is all micro, small, and medium enterprise (MSME) actors in Palu City who received empowerment programs from the cooperative, MSME and labor department in 2022. The total number of MSMEs receiving capital assistance that year was 1,101 MSME actors. In addition, key informants in data collection are staff of the Cooperative MSME and Labor Department of Palu City who work in the MSME field and serve as sources in interviews.

## 4. Results and Discussion

### 4.1. Research Results

#### 4.1.1. Community Empowerment Assistance

The assistance provided is not in the form of cash, but in the form of business equipment that can be used directly. This equipment is adjusted to the recipient's type of business so that the assistance is truly effective and has a direct impact on increasing business productivity. Each type of business receives equipment that suits their needs, such as washing machines, kitchen equipment, drill machines, overlock machines, printers, gas ovens, to salon and workshop equipment. Number of MSMEs Receiving Assistance Based on the attached data, the number of MSMEs receiving assistance is 13 business units. Each MSME represents a different type of business, with specifically identified assistance details.

#### 4.1.2. Business Equipment Assistance and Number of MSMEs

The government has distributed business equipment assistance to a number of Micro, Small, and Medium Enterprise (MSME) actors spread across various business sectors. This business equipment assistance program aims to increase productivity and independence of small business actors in various fields. Based on data collection and distribution results,

various types of equipment assistance have been distributed according to the needs of each type of business.

**Table 1. Types of Equipment Assistance by Business Type Groups**

No	Type of Business	Type of Equipment Assistance
1	Food/Culinary/Bakery/Cafe Business	Complete kitchen equipment: gas stove, thermos, blender, etc.
2	Motorcycle Washing Business	Steam washing machine, liquid soap, water tank
3	Mixed Goods Kiosk	Various types of merchandise
4	Motorcycle Workshop	Workshop equipment
5	Laundry	Washing machine, iron, digital scale, laundry plastic
6	Party Equipment Rental	Catering equipment, gas stove, trays, gas tank
7	Construction Services	Drill machine, grinder machine, generator, cable reel
8	Rice Trading	Sack sewing machine
9	Salon	Salon chair, hair straightener, hair scissors, hairdryer
10	Sewing Business	Overlock machine, sewing machine, serger machine
11	Typing, Printing	Laptop, printer, HVS paper, paper cutter
12	Screen Printing Services	Screen printing table, press machine, polyplex cutting paper
13	Electrical Tool Technician	Electric drill machine, aluminum cutting machine

Looking at the Table 1, the types of assistance provided are specifically tailored to the needs of each business. For example, for food or culinary businesses, assistance in the form of complete kitchen equipment such as gas stoves, thermos, and blenders greatly supports food production efficiency. Similarly, motorcycle washing businesses receive steam washing machines and other supporting equipment such as liquid soap and water tanks that are essential for daily operations. For service sectors, such as laundries and salons, the assistance provided is also very relevant. Laundries receive washing machines and irons as well as other supporting equipment, while salons get equipment such as salon chairs, hair straighteners, and hairdryers. This shows good understanding of specific needs in each business field.

The creative and printing sectors are also not overlooked. Typing and printing businesses are given laptops and printers, while screen printing services are helped with printing tables and press machines. On the other hand, businesses such as party equipment rental, electrical technicians, and construction services also receive technical equipment that supports improving the quality of their services. With this appropriate assistance, it is hoped that business actors can develop their businesses more productively, efficiently, and independently. This needs-based approach not only helps operationally, but also contributes to increasing income and welfare of business actors in various sectors.

#### 4.1.3. Capital Assistance

The government through social assistance programs has distributed business capital assistance to Micro, Small, and Medium Enterprise (MSME) actors. This program aims to strengthen competitiveness and increase the business capacity of small communities so they can develop independently. The amount of capital assistance funds provided to each recipient is Rp2,000,000/MSME. Based on available data, there are 1,101 business actors who received

this assistance. Therefore, the total capital assistance funds distributed can be calculated with the following formula:

$$1.101 \times \text{Rp}2.000.000 = \text{Rp}2.202.000.000$$

Based on the calculations, the total funding assistance for business capital that has been distributed reached Rp2,202,000,000, with a total of 1,101 micro and small business owners as recipients, each receiving Rp2,000,000 in assistance. The amount of funds reflects the commitment of the local government through the Department of Cooperatives and Small, Micro, and Medium Enterprises (SMEs) to strengthen the economic resilience of the people's business sector and enhance the competitiveness of SME players in various fields.

Beneficiaries of the assistance are spread across various sectors of the economy, including culinary, trade, laundry services, beauty salons, printing, and other service businesses. These sectors play a significant role in supporting economic activities in the community, particularly in creating job opportunities, increasing local financial circulation, and expanding economic opportunities for productive groups in society. Through the distribution of this assistance, business owners are able to enhance production capacity, improve product and service quality, and diversify their businesses to adapt to market dynamics and demand.

Aside from directly affecting the increase in business capacity, this program also generates a multiplier effect on the local economy. Strengthening the structure of small businesses at the grassroots level has the potential to stimulate consumer spending growth, expand supply chain networks, and bolster economic linkages among local business actors. Furthermore, the existence of this program helps business owners reduce dependence on informal financing institutions that impose high interest rates, thereby promoting business sustainability and increasing financial literacy among MSME operators.

From a socio-economic perspective, capital assistance also contributes to increasing household income, job creation, and reducing unemployment rates. It is known that some recipients of assistance are able to expand their business scale and increase employment after receiving capital support. Thus, the capital assistance program not only serves as a short-term economic stimulus but also functions as a strategic instrument in promoting inclusive, sustainable, and community-empowering local economic development.

## 4.2. Discussion

The Cooperative MSME and Labor Department of Palu City has implemented various empowerment programs for MSME actors, such as:

### 4.2.1. Provision of Equipment and Capital Assistance

Providing equipment and capital assistance is one form of real support to encourage the growth of small, micro, and cooperative businesses. Through this assistance, business actors get the equipment needed to increase productivity as well as initial or additional capital to develop their businesses. This assistance becomes very important especially for those who have financial limitations but have the spirit and potential to develop.

In addition to helping strengthen businesses, providing equipment and capital also aims to accelerate the independence of assistance recipients. By having adequate production equipment and sufficient business capital, they can more freely increase production capacity, expand markets, and create added value for the products or services offered. This support is not just giving, but also an initial step to build more sustainable businesses.

For this assistance to be truly effective, usually the provision of equipment and capital is also accompanied by business mentoring. Mentoring is important to ensure that equipment is used optimally, capital is managed well, and businesses run according to plan. Without mentoring, there is a risk that assistance is not utilized maximally, so the goal of improving the economic welfare of assistance recipients may not be achieved.

The assistance provided by the Office of Cooperatives, MSMEs, and Labor of Palu City in 2022 generated various feelings among its recipients. The majority of MSME actors felt greatly helped because the assistance received was not in the form of cash, but rather in the form of business equipment and capital that could be directly used to support productivity. This made them feel happy and grateful, as the facilities truly matched the needs of the types of businesses they were running, ranging from culinary businesses, laundries, salons, printing services, to carpentry services.

In addition to gratitude, a sense of confidence and new motivation also emerged among business actors. With capital assistance of Rp2,000,000 per MSME along with adequate equipment, many business actors felt more independent and optimistic about their business development. They saw opportunities to improve the quality and quantity of production, expand markets, and improve their family's economic conditions. This feeling of optimism was further strengthened by the awareness that the government was tangibly present in supporting small businesses in Palu City.

Research findings also affirm that assistance in equipment and capital, as carried out in Palu City, indeed has a positive impact on the spirit and independence of entrepreneurs. Such aid not only facilitates increased production capacity but also builds self-confidence and new motivation to continue growing. Widodo & Mahi (2022) emphasize that financial and non-financial support can increase the productivity of small businesses by more than 28%, especially when accompanied by continuous mentoring. Meanwhile, Fitriani et al. (2022) found that a combination of capital assistance and mentoring significantly increased revenue and business resilience for MSMEs during the pandemic. Moreover, Fiska et al. (2025) show a nearly triple increase in income for MSMEs after receiving productive capital assistance from the government. This emphasizes that targeted assistance, accompanied by mentoring, not only helps economically but also strengthens entrepreneurs' beliefs in building more independent and sustainable businesses.

#### **4.2.2. Mentoring in Business Management (though not yet evenly distributed)**

Mentoring in business management is one form of non-financial empowerment that is very important for MSME actors. This mentoring covers various aspects aimed at improving capacity, independence, and business competitiveness comprehensively. The forms of mentoring can be explained as follows. Business Training is an initial step given to MSME actors to improve basic knowledge and skills in running a business. Through this training, business actors are guided in preparing business plans, managing finances and simple bookkeeping, and understanding effective marketing strategies. This training also aims to change the mindset of business actors so they don't just focus on short-term profits, but also on business sustainability in the future. However, in its implementation, low participation is still found due to lack of awareness of the importance of training.

Digital marketing mentoring also becomes an important part in facing modern era challenges. Business actors are encouraged to utilize digital technology such as social media and marketplace platforms to market products. This mentoring includes training on using online sales applications, creating promotional content, and digital branding strategies. Through digital marketing, MSMEs are expected to reach wider consumers and increase

product competitiveness in more competitive markets. Quality Management is an aspect that plays a role in maintaining consistent product quality. This mentoring is provided to guide business actors to have good production operational standards, use quality raw materials, and be able to package products attractively and hygienically. In this case, production equipment assistance from the government also supports improving MSME product quality. This approach is very important so that products produced are worthy of competing in local and national markets.

Business Legality Mentoring becomes another important pillar in the empowerment process (Yani & Zaakiyyah, 2024). Many MSMEs still do not have legality such as Business Identification Number (NIB), PIRT permits, or halal certificates. Therefore, mentoring is directed to help the licensing and legal business registration process. This legality not only increases business credibility in consumers' eyes, but also becomes a main requirement to obtain capital access, participate in government programs, and expand markets (Wirba, 2024). The programs implemented by the Cooperative MSME and Labor Department of Palu City to empower MSME actors have been well received by some business actors. However, this program has not been able to reach all layers of MSMEs, either due to resource limitations, lack of information, or other factors.

Mentoring in business management is a form of non-financial empowerment that plays a crucial role in enhancing the capacity and competitiveness of MSME actors. This activity involves business training, digital marketing assistance, quality management, and legal compliance that complement each other in strengthening business autonomy. Research shows that digital marketing mentoring can significantly enhance business actors' competencies (Afandi et al., 2024) while legal compliance support has been proven to strengthen credibility, access to capital, and administrative awareness (Arma et al., 2025). As such, targeted and sustained non-financial mentoring becomes a strategic instrument in realizing adaptive, competitive, and sustainability-oriented MSMEs.

#### **4.2.3. Impact of Empowerment Programs on MSME Growth and Development in Palu City in 2022**

The impact of empowerment programs carried out by the cooperative MSME and labor department has a positive impact on MSME growth and development with reduced poverty levels in Palu City. In 2022, MSMEs in Palu City faced challenges of increasing raw material prices, but the Palu City Government strived to maintain production stability through business capital assistance. The Palu City Government also focused on improving the quantity and quality of MSME products, with hopes that capital assistance can be utilized properly.

One of the main problems faced is the low awareness of micro business actors to receive mentoring and training. Many business actors are still static and reluctant to develop their businesses, even still limited to one type of product. In addition, minimal simple bookkeeping shows that business management has not become a main concern. This is related to short-term thinking patterns, where business actors tend to only focus on daily sales without strategic planning for the future. Problems faced in empowering micro business actors are numerous. Lack of awareness among micro business actors to be mentored and given training, on average business actors only focus on sales for today without considering how their business will be in the future, no simple bookkeeping for micro business actors being static not wanting to develop their business with only one product.

The results of this study show that empowerment programs implemented by the Cooperative, MSME, and Labor Department of Palu City, particularly through providing equipment assistance, capital, and business mentoring, have had positive impacts on improving MSME capacity and growth. These findings are consistent with research by

Rosyada & Virda (2021) which emphasizes that capital support and social media utilization significantly influence business development, with capital structure contribution reaching 20.6% in improving MSME performance in Palu. Similarly, research results by Silvana et al. (2024) strengthen these findings by showing that business capital and experience positively influence MSME income, while education factors are not significant, so interventions in the form of training and mentoring are more crucial in supporting business growth.

Furthermore, the results of this study finding still low awareness of business actors in following mentoring and training are also consistent with findings by Fradina et al. (2025), which state that low financial literacy and minimal socialization often become main obstacles for micro business actors to optimally utilize government programs. Research by Ningsih et al. (2024) also emphasizes the importance of sustainable mentoring with facilitative, educative, and representative roles, which are proven to increase entrepreneurial spirit and technical skills of MSME actors.

Research findings regarding positive impacts of empowerment on MSME growth and its contribution to suppressing poverty levels in Palu City are also consistent with research by Safitri & Rusdin (2024) which highlights the government's role as regulator, facilitator, and dynamizer in empowering MSMEs. However, both this research and Safitri et al.'s research find weaknesses in the catalyst aspect, where many MSMEs have not been fully able to utilize digital technology to expand markets.

Thus, this discussion confirms that programs implemented by the Cooperative, MSME, and Labor Department of Palu City are already in the right direction, particularly in capital provision and mentoring. However, its effectiveness is still limited by low financial literacy, training participation, and gaps in digital adaptation. This is consistent with various previous studies, while strengthening recommendations that empowerment programs should not only focus on material assistance, but also strengthen non-financial mentoring, financial literacy education, and marketing digitalization so that MSMEs can grow more inclusively and sustainably.

## 5. Conclusion

Based on research results, it can be concluded that the Cooperative, MSME, and Labor Department of Palu City has played an active role in MSME empowerment through providing capital assistance, business equipment, and business mentoring. A total of 1,101 MSME actors received fund assistance of Rp2,000,000 each with total distributed funds of Rp2,202,000,000. This program has positive impacts on improving business capacity and reducing poverty. However, there are still obstacles such as low awareness of MSME actors in participating in training, minimal financial recording, and underdeveloped business thinking patterns. Hence, more intensive and sustainable mentoring is needed so that MSME empowerment can run more optimally. The Cooperative, MSME, and Labor Department of Palu City is expected to increase the intensity of socialization and equitable mentoring to MSME actors, encourage the implementation of simple bookkeeping, build long-term business thinking patterns, and expand market access so that MSME empowerment can run more optimally and sustainably.

Given the results, it is imperative that Palu City's Cooperative, MSME, and Labour Department implement more thorough and coordinated strategies for empowering MSME actors. In order to increase awareness and promote active engagement in training and mentoring, future initiatives should concentrate on stepping up outreach initiatives. Fostering sustainable business growth will also require stepping up efforts to encourage financial literacy

and digital adoption. Enhancing access to wider market opportunities and offering ongoing assistance to MSME actors are also important long-term solutions to help them stay resilient and competitive in a constantly shifting economy. The study's conclusions emphasise how crucial it is for the government to keep supporting MSME empowerment, especially in the areas of capital assistance, business mentoring, and financial literacy training. The beneficial effects on Palu City's MSME expansion and poverty alleviation highlight the necessity of a more sustainable and inclusive approach to capacity building. In order to ensure MSME actors' continuous success and integration into the larger economy, the findings imply that enhancing non-financial support, increasing market access, and encouraging long-term strategic thinking are crucial.

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