
The Impact of the Implementation of the Government's Digital Direct Expenditure Program to Improve MSME Performance

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ABSTRACT: This study aims to analyze and assess the impact of the procurement defense program on the performance of MSMEs in Gorontalo Province. The locus of research on MSME business actors who are members of the procurement defense program, especially through market place applications, both MbizMarketpalce and briUMKM market place totaling 85 MSMEs with a sample of 10 MSMEs. The performance assessment method for MSMEs is used *by Balance Scorecard analysis* to analyze the financial and non-financial impacts of MSME businesses. The results showed that the Gorontalo Provincial government's procurement defense program had a relatively good impact on financial and non-financial performance. On average, there is an increase in operating profits, number of workers, production volume and marketing area. The procurement defense program is very helpful for MSME business actors in increasing public reputation and trust in their products and services so that business productivity and performance increase.

KEYWORDS: Direct shopping, Government spending, Online sales, MSME performance

I. INTRODUCTION

MSMEs (Micro, Small and Medium Enterprises) are indeed recognized as key drivers of regional economies in many countries, including in Indonesia. MSMEs make a significant contribution to economic growth, (Bekaert et al., 2005),(Hardiningsih et al., 2022),(Utomo, 2004) job creation,(Li, 2008), poverty alleviation,(Li, 2008) and improving community welfare at the local level, one of which is job creation. With strong MSME growth, (Hardiningsih et al., 2022),(Murugan & Natarajan, 2022),(Yanto et al., 2022), more job opportunities (Roy et al., 2020) will be created for locals. This helps reduce unemployment and improve people's welfare. MSME development can provide a significant contribution to regional revenues through the payment of taxes, levies and other contributions. The main role of MSMEs in the regions is to help create more stable economic sustainability(Qureshi et al., 2022),(Anda et al., 2023),(Su et al., 2021),(Yanto et al., 2022),(Zhang et al., 2022). MSMEs tend to be more flexible in dealing with economic changes and can adapt quickly to fluctuating market conditions.

The government has a role in creating policies and regulations that support the growth and development of MSMEs.(Hardiningsih et al., 2022) This includes the provision of fiscal incentives(Hardiningsih et al., 2022), cutting red tape, simplifying licensing procedures, legal protection, and regulations that facilitate access to capital and markets for MSMEs. The right policies can create a conducive environment for MSMEs to grow and develop. One of the government's roles is the existence of e-purchasing (Al-Abdallah & Bataineh, 2018),(Zahra et al., 2021) by local governments that can help MSMEs to market their products and services. E-purchasing can be MSMEs to access a wider market rather than relying solely on local sales. Through local government e-purchasing platforms, MSMEs can promote their products and services to potential customers across the region or even at the national level. This opens up new opportunities for MSMEs to reach consumers who were previously difficult to reach. E-purchasing allows MSMEs to showcase their products and services online. By having a profile or online store on the local government's e-purchasing platform, MSMEs can display product catalogs, descriptions, photos, and price information. This makes it easier for consumers to explore and choose the products they want, without having to come directly to the MSME business place.

The existence of e-purchasing by local governments provides trust and protection to consumers. Consumers feel safer to transact with MSMEs registered on the official e-purchasing platform of local governments, because there is a verification and supervision process carried out by the government. This helps build consumer trust and provides assurance of the quality of products or services provided by MSMEs.(Al-Abdallah & Bataineh, 2018)

Many MSMEs have limited knowledge and skills in terms of using digital technology and online marketing.(Al-Abdallah & Bataineh, 2018) They may not have enough understanding of digital platforms, social media, search engine optimization, and other online marketing strategies.(Yanto et al., 2022),(Fierro et al., 2014),(Hardiningsih et al., 2022),(Kotler, Philip; Keller, 2018),(Jayasundara et al., 2009). This lack of digital capabilities can hinder MSMEs from effectively utilizing the potential of digital

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marketing. The implementation of a digital marketing strategy requires a significant initial investment, such as the creation and management of a website, online advertising, or e-commerce platform. This cost may be too high for MSMEs with limited resources. These financial constraints can be obstacles in implementing an effective digital marketing strategy.

The procurement defense program provides MSMEs with direct access to public markets,(Chaney et al., 2003), such as local governments, government agencies, or other public bodies. MSMEs can compete fairly with large companies in obtaining contracts for procurement of goods and services from these government entities. This helps MSMEs to gain significant business opportunities and increase their turnover. This program helps create equal opportunities for MSMEs to compete with large companies. Government policies that lead to special preferences or quotas for MSMEs in the procurement process of goods and services allow MSMEs to participate more actively and have a greater chance of winning contracts. This helps reduce inequality of access and promotes healthy competition in the public procurement market. Weak MSME institutions can also be an obstacle in facing business competition (Kohardinata et al., 2020),(Jan Habib et al., 2016). Strong institutions are an important factor in strengthening the position of MSMEs and increasing their competitiveness.(Eisenhardt & Schoonhoven, 1996).

One of the challenges faced by MSMEs is late or non-current payments after completing procurement contracts.(Jurčik, 2013) Goods and services procurement defense programs often involve a guaranteed and timely payment mechanism to MSMEs after the work or delivery of goods is completed. This helps reduce financial risks for MSMEs and ensures better liquidity for their business operations. The main obstacle faced by MSMEs is limited access to financing. MSMEs often have difficulty obtaining loans or capital needed to grow their business. This limited financing can limit the ability of MSMEs to increase production, innovate, or expand markets.

Although the government has an important role in providing support and a conducive environment for the growth of MSMEs, there are several obstacles and challenges that can hinder the effectiveness of government involvement Government involvement in improving MSMEs can involve various relevant agencies and departments. (Qureshi et al., 2022)However, lack of coordination between agencies is often an obstacle in providing integrated and effective support to MSMEs. Efforts are needed to improve coordination and collaboration between relevant agencies to optimize.

The government's procurement defense program through electronic shopping applications has the potential to improve the performance of MSMEs, but in some cases, the results have not been optimal. Government procurement defense programs often involve complex requirements and procedures, including strict administrative, technical, and financial requirements. MSMEs with limited capacity may find it difficult to meet these requirements or understand complex procedures. This can hinder MSME participation in the program.

Procurement defense programs often involve intense competition between MSMEs and large or medium-sized companies that have greater resources. This unequal competition can make it difficult for MSMEs to compete in terms of price, quality, or production capacity. This can reduce the chances of MSMEs winning tenders or getting contracts.

Table 1. Number of Micro and Small Enterprises in Gorontalo province Year 2020 and 2021

No	Jenis Usaha	2020	2021
1	Food	19.052	15.943
2	Drink	430	1.288
3	Tobacco management	40	50
4	Textile	1.723	1.594
5	Apparel	1.810	1.886
6	Leather industry, leather material from foot tarlas.	-	9
7	Wood, wooden goods, cork etc	2.630	1.304
8	Paper and paper goods	-	8
9	Printing and reproduction of recordings	162	279
10	Chemicals and goods from chemicals	54	12
11	Rubber, rubber and plastic goods	-	62
12	Pharmacy. Chemical medicinal products and traditional medicine	20	-
13	Nonmetallic excavations	1.122	1.162
14	Metal goods instead of machinery and equipment	490	376
15	Computers, electronic and optical goods	26	-
16	Electrical equipment	-	-
17	Machinery and equipment	21	12
18	Motor vehicle, trailer and semi-trailer industry	-	68
19	Other means of transport	20	65
20	Furniture	708	1.377
21	Other processing	305	244
21	Repair and installation of machinery and equipment	-	19

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Data source: BPS Survey in 2019, (Gorontalo in 2022 figures)

The data above shows that MSMEs in Gorontalo Province are dominated by the food and beverage industry, throughout 2020 and 2021 it can be seen that the number of MSMEs in several sectors has increased in number, and some have decreased in number. As for the food sector, in 2021 there was a decrease in the number which was allegedly caused by the Covid-19 pandemic that occurred in 2020. MSMEs that have increased in number actually occur in the beverage and furniture sector which has increased significantly. This situation was triggered by an increase in demand, especially in the furniture sector which was accompanied by an increase in property sales. As for the beverage sector, allegedly driven by the weather conditions of Gorontalo Province, so that the MSME sector selling beverages has increased in number. As for other sectors, there are also many who experience an increase in the number and also a decrease in the number, but not significantly.

Table 2. Number of MSMEs, Labor, Expenditure and income of Micro and Small Enterprises of Gorontalo Province in 2020 – 2021

Kab/City	2020			
	Number of MSEs	Tk	Expenditure	Income
Puhuwato	6.559	15.373	152.403.054	370.029.131
Boalemo	4.131	8.397	77.180.624	178.177.486
Kab. Gorontalo	7.768	11.424	137.224.485	323.462.210
Gorontalo utara	4.136	8.784	71.546.004	157.746.578
Kota Gorontalo	3.574	6.755	379.061.594	666.166.704
Bone Bolango	2.445	5.255	61.569.667	175.142.786

(Data source: BPS survey in 2019, (Gorontalo in 2022 figures))

Meanwhile, when viewed from the expenditure and receipts of MSMEs as BPS data above shows that throughout 2020 during the pandemic, in totality revenues were calculated in each district and city experienced a significant increase in income. This indicates that, sales that occurred in 2020 during the Covid-19 pandemic, the sales of MSME business actors are suspected to have increased even though in terms of the number of businesses there was a decrease in the number. The needs of the community at that time were high and the online purchase method was very helpful for MSME business actors in marketing their business, therefore only MSMEs who were able and willing to apply IT in their business fields could survive in the midst of the Covid-19 pandemic.

Table 3. Number of MSMEs, Labor, Expenditure and income of Micro and Small Enterprises of Gorontalo Province in 2020 – 2021

Kab/City	2021			
	Number of MSEs	TK	(Expenditure)	(Income)
Puhuwato District	3.828	9.081	109.436.608	288.466.743
Boalemo District	3.956	8.485	98.124.439	244.882.082
Gorontalo District	6.337	9.952	235.690.849	458.520.497
North Gorontalo District	3.444	5.440	63.653.842	137.927.236
Gorontalo City	4.774	7.680	291.900.877	500.236.339
Bone Bolango District	3.382	5.078	104.606.620	195.837.222

(Data source: BPS Survey in 2019, (Gorontalo in 2022 figures))

Similarly, in 2021, after the pandemic where there was a decrease in the number of businesses in various MSME sectors, if recovered from total income, the number increased significantly. On average, in all regions in Gorontalo Province, there is an increase in income, so it can be ascertained that the welfare of MSME business actors in the shared sectors in Gorontalo Province is still maintained. Another phenomenon is precisely in the number of workers. In a previous study I conducted (in 2019), the average number of workers used for one MSME business ranged from 2 to 3 people per MSME. The data above explains that in 2021, there was a decrease in the number of workers compared to the previous year, except for the Gorontalo City area where there was a slight increase in the number of workers, this is suspected because Gorontalo City has a high level of community mobilization and the use of labor for MSMEs has increased.

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II. LITERATURE REVIEW

Micro, Small and Medium Enterprises (MSMEs) Development is an effort made by the government, the business world, and the community to empower Micro, Small and Medium Enterprises through the provision of facilities, guidance, assistance, strengthening assistance to grow and improve the ability and competitiveness of MSMEs .(Subawa et al., 2022),(Yanto et al., 2022).(Hardiningsih et al., 2022). Efforts to build MSMEs cannot be separated from institutional problems and Human Resources (HR). Increasing the capacity and competence of business actors is a major milestone in advancing MSMEs.(Rupeika-Apoga & Petrovska, 2022).

The use of ICT can help MSMEs in improving operational efficiency, increasing access to markets, and expanding business reach. MSMEs can utilize social media, websites, e-commerce platforms, or mobile applications to market their products and services. In addition, the application of ICT can also help MSMEs in inventory management, finance, and other business processes.(Kumaran & Jeyachandran, 2022).

Government spending aimed at supporting MSMEs, such as financing programs and subsidies, can provide easier access to capital for MSMEs. This can help MSMEs in developing their business, increasing production, improving the quality of products or services, and expanding their market. This financial support can provide a significant boost to the growth and sustainability of MSMEs. The implementation of the procurement defense program is expected to be a stimulus for MSMEs in improving their performance.(Su et al., 2021),(Anda et al., 2023),(Zhang et al., 2022).(Yanto et al., 2022).

III. RESEARCH METHOD

The research method used in the study is descriptive qualitative which aims to explain and descriptive problems in improving MSME performance through procurement shopping programs using the Market place application. (Kotler, Philip; Keller, 2018)This study was conducted on MSME business actors in the Gorontalo Province area who are members of the Gorontalo provincial government e-catalog. MSME performance measurement is carried out with the help of *Balance Scorecard analysis* which aims to analyze the performance of MSMEs in financial and non-financial terms.(Prajogo & McDermott, 2008).

Data collection in this study was through interviews and surveys of MSME business actors who were included in the e-catalog of the local government of Gorontalo Province as many as 85 MSMEs, and samples in the performance assessment amounted to 10 MSMEs. Sample determination is based on respondents' willingness to provide data.

Table. 4 Population data of MSMEs Mitra Toko online Gorontalo province 2023

No	Name of MSME	No	Name of MSME
1	PT Farmago Mitra Asia	44	RM Grilled Fish Om Civah
2	Media center	45	Warung Bu Titie
3	Ririrera Store	46	Amutha Numeray 29
4	Mufidah Statuionery	47	CV Darma Daffy Persada
5	House eating fried chicken pak Is	48	Iyhan Catering
6	Rose Sharon	49	Pisa lestarty Catering
7	CV. Citra lestarti	50	Waroeng Grocery
8	Rose Cake Shop	51	UD Solar Paper
9	CV Tiga Warna jaya	52	CV Arrahman
10	Retro Five Four	53	RM Diva
11	Bakarica JDS	54	Culinary Fit
12	CV Bintang Trijaya Sukses	55	99 Persada
13	CV Wansetia	56	PT Rumah UMKM Indonesia
14	The Madani	57	Rifera
15	Cateering Membramo	58	Malik Donuts
16	RM Merpat	59	Cafee Terrace
17	RM Sentral jaya	60	RM Ceria lamahu
18	CV Cahaya Baliho	61	CV Cahaya Baliho
19	CV R.Ahmad Sejahtera	62	Catering Elite
20	CV Sinar Lestari	63	Fadil Catering
21	Kitchen Naila	64	Kukisi Li Iyha
22	CV Ira Stationery	65	Kios Nur
23	CV REVA	66	Kitchen K3
24	CV Sandalwood	67	CV Terrace Amalia
25	CV Computindo Perkasa Utama	68	CV Barokah Sejahtera
26	Manna Cafe	69	Copy of Princess Q
27	CV Biotech	70	Maqfirah Cookis

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28	RM Sari Bunda	71	Evi's food stall
29	RM Mujair	72	UD Liana Kirana
30	Dahlia	73	WB Net Warung (Mutiara Bali)
31	CV Aslin Gorontalo	74	CV Fadhillah Jaya
32	RM Mama AZ	75	Original Link
33	Moon Cake	76	Rizqa Catering
34	CV Mufida Terminal Print	77	Yumeco Appear
35	Catering Gisel	78	S Mart
36	RM A	79	Blessings of Rizqullah
37	Lanny's stall	80	Roemah Poekis
38	CV Tampa Printer	81	Halima's bakery
39	KPRI Wiyowa	82	CV Yulandi
40	Lo Membramo Kitchen	83	CV Ainara Amanah Berkah
41	CV Puspita Copy	84	RM Nabila
42	Rahida Cookis	85	My Grandson's Business
43	RM Orasawa		

Data source: Gorontalo Provincial Procurement Bureau in 2023

Table 5 MSME Performance Measurement Year 2022

No	UMKM
1	Mufidah Statuionery
2	CV Ira Stationery
3	RM Sari Bunda
4	RM Mujair
5	KPRI Wiyowa
6	Rahida Cookis
7	RM Orasawa
8	PT Rumah UMKM Indonesia
9	RM Ceria lamahu
10	CV Cahaya Baliho

Processed Data

MSME performance measurement is intended to see the extent of MSME performance and progress in Gorontalo Province. This measurement was carried out on several MSME business actors as a sample to assess the performance of MSMEs after joining the Gorontalo Province e-catalog. This performance measurement method uses *Balance Scorecard* (BCS) analysis, which is a measurement method that focuses on four perspectives, namely:

1. Financial perspective,

The measure of financial performance can be used as an indicator of whether the company's strategy, implementation and implementation contribute or not to the increase in operating profits. The indicator that will be used in measuring this performance is the *Return On Investment (ROI)* value of MSME businesses in a certain period, especially when joining the Gorontalo Province e-catalog. ($ROI = \text{Net Profit} / \text{Total Revenue} \times 100$)

2. The customer perspective, the consumer perspective consists of various key measures of a company's success. This measure will see the number of consumers / customers as long as MSME businesses join the Gorontalo province e-catalog. That is by looking at the total consumers adding new consumers compared to the total consumers in a certain period (*CA = Customer Acquisition*). ($CA = \text{Total new customers} / \text{taltal of existing customers} \times 100$)

3. Business Process Perspective

The company's ability to improve continuously through better product quality processes. The indicator that will be an assessment in the business process is the extent to which the quality of the products produced is compared to the total production of MSME business products (*Product Quality, (PQ)*) ($PQ = \text{Total Good Products} / \text{Total Products} \times 100$)

4. Learning and growth .

That is how to increase the company's internal resources or employee expertise, employee retention and employee complaint rate with the assessment indicator is the number of employees who get the opportunity to attend training / training. (*Employee Training, (ET)*).

($ET = \text{total training employees} / \text{total employees} \times 100$)

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IV. RESEARCH RESULTS

In the current era of digitalization, the presence of internet-based online media helps many people in meeting their needs. (Al-Abdallah & Bataineh, 2018). The internet-based online media in question is a Marketplace where the media is used as a business activity and is used to make transactions between sellers and buyers. The marketplace (Kotler, Philip; Keller, 2018), (Hardiningsih et al., 2022), (Delke et al., 2023) in Indonesia is one of the media driving the social economy in facing problems that arise in the era of globalization that we are experiencing today. For this reason, it is hoped that the marketplace can develop regularly and efficiently. Marketplace provides a variety of products according to the needs of their daily people ranging from food, fashion, electronic devices, and others at competitive prices. This marketplace is increasing due to easy-to-use access and supported by adequate infrastructure which ultimately makes people more enthusiastic about the presence of the marketplace.

Gorontalo Province, which since 2021 through a joint program with LKPP related to the expansion of the use of procurement expenditures, has been carried out since May 2021 through a joint meeting with LKPP RI and KPOK RI on May 21, 2021. And throughout May 2021, the Gorontalo Provincial government prepared everything regarding the pattern and method of using the defense application in the procurement process of goods and services. until finally launching "POTALI" as the branding of Gorontalo Province in the Defense of Procurement of goods and services which was held on June 28, 2021. Until now, as information from the Gorontalo Provincial Setda Procurement Bureau, there are 3 Market Palces that have become partners of the local government, namely:

1. MbizMarket Palce (national)
2. BuyUMKM market Palce (Region)
3. Grab

Table 6. Number of MSMEs incorporated in Market Palce (MbizMarket Place)

No	Area	Number of MSMEs	Number of goods and services
1.	Gorontalo City	202	10.108
2.	Gorontalo District	84	1.916
3.	North Gorontalo District	3	7
	Sum	289	12.031 Jenis B/J

Data source: MBizmarket place

The data above illustrates the number of MSMEs that have joined the MbizMarket Place application in 2023 until March. This data shows the number of MSMEs that have made transactions through procurement applications Direct procurement expenditure for the Gorontalo Province area. Of the 6 regencies/cities in Gorontalo Province, there are only 3 regions whose MSME businesses are recorded in Mbizmarket Place. The most is in Gorontalo City with 202 MSMEs with 10,108 types of goods traded.

When compared to the number of MSMEs in the Province, this number is still very small, so it cannot be expected to improve the performance of MSMEs themselves or encourage economic growth in Gorontalo Province. (Anda et al., 2023), (Hardiningsih et al., 2022), (Vysochyna et al., 2023), (Poku et al., 2022).

Table. 7 Total transaction data through Mbiz Market place Period January – June 2023

N No	Summary	Total 2023	Moon					
			January	February	March	April	May	June
1	Transaction Value	3.810.245.315	489.295.054	730.007.176	730.615.194	581.421.972	1.169.042.239	109.863.681
2	Number of Transactions	1.822	317	418	396	128	519	44
3	Procurement Defense - Transaction Value*	-	-	-	-	-	-	-
4	Number of Users	98	17	12	6	46	17	-
5	Number of Providers	25	10	3	4	-	8	-

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6	Number of Products Served	2.995	424	1.623	569	67	257	55
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Data source: Procurement Bureau of Prov. Gorontalo. (2023)

The data above illustrates the total value of MSME transactions on the Mbiz application for the January to June 2023 transaction period with a total transaction value of Rp. 3,810,245,315 with a total transaction of 1,822 witnesses. Based on the distribution of data, the highest transaction value occurred in May, which was Rp. 1,169,042,239 with a total of 519 transactions. The data picture above shows that sales transactions through the Market Place application are quite high with a total of 25 stores, with 98 users. If studied based on the number of MSMEs in Gorontalo Province, this number is still very small, as well as the transaction value. From the results of the survey conducted, some of the responses of business actors during transactions through Mbiz Market Place include:

1. Very helpful in increasing business.
2. Easy to market and promote products/services
3. As a promotional medium for business actors, so that it can be widely known both locally and nationally, considering that the Mbiz application is a market place with a wide scope (national).
4. Fast and clear payment certainty (transparent)
5. Low administration costs (2%) compared to other Market Places.

Table. 8 Number of MSMEs incorporated in the Market Palce (Buy MSMEs) E-Purchasing Prov. Gorontalo

No	Area	Number of MSMEs	Number of goods and services
1.	Gorontalo City	169	1.651
2.	Gorontalo District	15	566
3.	Boalemo District	28	370
	Sum	212	2.587

Data source: BeliUMKM Market Place application.

Market Palce beliUMKM, is an application formed by the region in serving and assisting MSME business actors in selling and promoting their goods and services. Based on the data above, the number of MSMEs that have joined this market place application for the March 2023 period is 212 with the number of goods/services traded as many as 2,587 types. Similar to MbizMarketpalce, the number of MSMEs that make transactions through the BeliUMKM Market Place application is very fluctuating, depending on demand by local governments, especially with OPDs in the regions. In March 2023, the number of MSMEs joining the Buy MSMEs application in Gorontalo Province is only in 3 regions, namely Gorontalo City, Gorontalo Regency and Boalemo Regency. Gorontalo City has more MSMEs that make transactions through the BeliUMKM application, this is already a combination of MSMEs based in Gorontalo Province.

From the survey results of several MSME business actors who have joined the procurement defense program through the BeliUMKM Market Place application, the responses of business actors include:

1. Pros/Advantages
 1. Very helpful in promoting and selling products.
 2. Easy and transparent
 3. Market and payment certainty
 4. Prices are relevant and adjust to the government budget (related OPD)
 5. It is a locally owned Marke Place that can encourage the performance of MSMEs.
 6. Debilitation.
 7. Slow in terms of payment realization (following relevant government/OPD policies and regulations).
 8. Pricing follows the government/OPD budget, so sometimes the operating margin is not fixed.
 9. Administration costs are still quite high (5%) compared to other applications such as Mbiz.

Table. 9 List of transaction values Catalog storefront

No	Showcase	Number of transactions /May 2021	Number of transactions /Dec. 2022
1	Vehicle rental	IDR 594,784,600	IDR 594,784,600
2	Cleaning services	IDR 2,081,115,824	IDR 4,162,231,648

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3	Security Services	IDR 1,299,957,933	IDR 2,599,915,866
4	Official attire and office stationery	-	IDR 391,645,400
	Total Amount	IDR 3,975,858,357	IDR 7,748,577,514

Data source: UKPBJ Prov. Gorontalo 2023

The transaction value throughout 2021 and 2022 as the data above, for cleaning services and security services there was a significant increase, while for the transaction value in the provision of official clothing and office equipment, it only occurred in 2022 with a total transaction value of IDR 391,645,400.

This increase in transaction value is intended to improve the performance of MSMEs in Gorontalo Province which are members of the local government e-catalog. This increase also shows the commitment of the local government to help MSME business actors in the region to progress.

Table 10. MSME Performance Measurement Year 2022

MSMEs	Financial Perspectives. (ROI)	Customer Perspective (CA)	Workforce Perspective (FP)	Learning and growth perspectives. (AND)
Mufidah Statuionery	10	12,5	20	56
CV Ira Stationery	7,5	12,58	15	2,02
RM Sari Bunda	22,5	14,28	4	1
RM Mujair	66	22	8	1
KPRI Wiyowa	97	33,3	43,75	20
Rahida Cookis	67	14	58	1
RM Orasawa	68	1	12	1
PT Rumah UMKM Indonesia	30	40	1,65	41,66
RM Ceria lamahu	7,5	10	13,3	30
CV Cahaya Baliho	6,6	4	16,67	33,3

Processed Data

The data above shows the analysis of MSME performance based on assessment indicators using *Balance Score card (BSC) analysis*. This analysis is used to show the extent to which MSME performance is viewed from financial and non-financial indicators. The purpose of this analysis is to see the balance of financial and non-financial performance of each MSME that is sampled while joining the market place, both Mbiz market place and BeliUMKM Market Place.

A. Impact on Financial condition.

The financial instrument used is Return on *Investment (ROI)*, which is an indicator that can measure the ability of MSME businesses to generate profits (Return) on all gross income in one period. Based on the data above, by looking at the ROI value of each MSME, it can be explained that the net income of MSME business actors is still considered low when compared to their total income in one period. The ability of MSME businesses to generate profits on their business in terms of net income is still low, although not as a whole. There are several MSME businesses that also get a fairly high net income, such as in the food sector business and ATK / ATM sales.

This study also shows that the existence of the procurement defense program by local governments in terms of business finance has not shown a significant effect on increasing profits. It's just that this procurement defense program is actually very embangu in terms of promoting business products, getting certainty over product sales, etc. "MSMEs make a significant contribution to economic growth, (Bekaert et al., 2005; Hardiningsih et al., 2022; Utomo, 2004), job creation (Li, 2008), poverty alleviation (Li, 2008), and improving community welfare at the local level, one of which is job creation. With strong MSME growth, (Hardiningsih et al., 2022; Murugan & Natarajan, 2022; Yanto et al., 2022), more job opportunities (Roy et al., 2020)." Please refer to the Instructions for authors on journal website and some published papers in Cogent Business & Management before resubmitting the paper.

The weakness in this analysis is the accuracy of financial data from each MSME business, because most MSMEs do not have accurate financial statements as stipulated in the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP). (Dama, 2018) Most of the financial reporting of MSME businesses is still very simple, so getting accurate gross and net income values is rather difficult. However, based on existing data, it can be used as a benchmark for assessing the financial performance of MSMEs while marketing their products and services through the existing market Place application. (Poku et al., 2022)

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B. The impact of procurement defense on the perspective of MSME customers

The impact of the procurement defense program on the performance of MSMEs is seen from the perspective of business customers as the data above illustrates that. The point is how the impact of the procurement defense program affects the perspective of MSME business customers. The customer's perspective is the extent to which MSME businesses can bring in new customers so that they will increase the number of product sales. Customer perspective is a ratio used to see the percentage of new customer additions for MSME businesses. As the data above, most of the procurement defense has a good impact on the customer perspective ratio, almost all MSMEs incorporated in the Market Place or e-commerce Local government experienced an increase in the number of customers, which are mainly customers from the government such as OPDs within the Provincial and City / district governments.

Increasing the customer perspective ratio greatly affects business finances, meaning that the better and higher the customer ratio will increase Net Income for MSME business actors. This Bela program has a broad impact on adding consumers or customers for all MSMEs, because MSME businesses are known more widely and market share is becoming wider.

C. The impact of procurement defense on the perspective of MSME business workers

The impact of the procurement defense program on the perspective of labor is that it can open up new opportunities for MSMEs to follow the procurement process and get contracts with the government or large companies. This can create new job opportunities for the local workforce, whether in production, provision of raw materials, or other supporting services. In addition, MSMEs can experience significant growth and development. The impact is an increase in production or an increase in their service capacity, which in turn requires additional labor. This can create new jobs and increase labor income.

The results of the study show that the contribution of the procurement defense program to the MSME workforce has a significant impact. There is an increase in quantity caused by an increase in demand for goods/services. The increase in demand causes an increase in business volume, which has a direct impact on improving the performance of MSMEs.

1. The impact of procurement defense on the perspective of learning and business growth of MSMEs.

The results show that the impact of defense on the perspective of MSME business growth in Gorontalo Province is still relatively fixed, although in several business sectors, especially for the food and beverage sector is quite significant. It is expected that in this procurement defense program, personnel will gain additional knowledge and skills in the fields of procurement, project management, finance, or related regulations. This encourages business owners and MSME employees to continue to learn and develop new competencies, which in turn can improve the quality of the products or services they offer. The procurement defense program helps MSMEs be more creative in developing new products or services to serve market demand. MSMEs are encouraged to increase innovation and creativity to develop their products and services. With the procurement defense program, the reputation of MSMEs has increased, so that public trust in the products produced has also increased.

V. CONCLUSION

Direct shopping programs can have a significant impact on the performance of MSMEs (Micro, Small and Medium Enterprises) in Gorontalo Province such as:

1. Increased sales volume where direct shopping programs involving MSMEs as suppliers can increase sales of their products or services. In this case, MSMEs can experience significant growth due to greater demand from the government or entities involved in the program.
2. Increased revenue: With increasing sales, MSMEs have the potential to increase their income. This higher income can be used to expand the business, expand production, improve product quality, or make other investments that contribute to business growth.
3. Skills and capacity building: Through participation in direct spending programs, MSMEs can gain access to training, mentoring, or technical assistance. This can help MSMEs improve their managerial, operational, marketing, or financial skills. Thus, MSMEs can develop their capacity to face better competition and grow sustainably.
4. Increased reputation and trust: Engaging in direct shopping programs supported by the government or related institutions can provide reputational benefits for MSMEs. This can increase customer confidence and expand their market share. In addition, participation in this kind of program can also help MSMEs build relationships with new business partners and increase their networks.

While other disis, also procurement defense programs if not carried out properly will have an impact on:

1. Injustice and unfair competition: If direct spending programs are not implemented transparently and fairly, larger MSMEs or those with strong political ties may gain a disproportionate advantage. This can lead to unfair competition and hinder the growth of smaller or unconnected MSMEs.
2. Over-dependence: If MSMEs rely too heavily on direct spending programs as their main source of income, they can become vulnerable to policy changes or budget reductions. If the program ends or experiences funding cuts, MSMEs may face difficulties in maintaining their performance or even risk losing their business.

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Therefore, it is important to run a good direct shopping program, including transparent, fair, and sustainable management. The government and relevant institutions also need to ensure that the program provides adequate support for MSMEs in the long term, such as capacity building, access to wider markets, and strengthening the MSME ecosystem as a whole.

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