
IMPLEMENTATION OF THE E-CATALOG SYSTEM POLICY IN LOCAL ECONOMIC EMPOWERMENT THROUGH GOODS/SERVICES PROCUREMENT IN MEDAN CITY

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Abstract

Local economic empowerment through government procurement of goods and services is an important strategy to support the growth of Micro, Small, and Medium Enterprises (MSMEs). This study aims to analyze the implementation of the MSME e-catalog system policy in local economic empowerment in Medan City, particularly in the food and beverage sector, as well as to identify the supporting and inhibiting factors in its implementation. This research employs a descriptive qualitative approach, with data collected through in-depth interviews, direct observation, and documentation. The informants consisted of MSME actors, officials from the Electronic Procurement Service (LPSE), and personnel from the Goods and Services Procurement Division of the Medan City Government. Data analysis was conducted using an interactive model comprising data reduction, data display, and conclusion drawing. The findings indicate that the MSME e-catalog system has expanded market access and increased opportunities for local MSMEs to participate in government procurement. Supporting factors include pro-MSME government policies, the availability of a local e-catalog platform, and the commitment of some procurement officials. Meanwhile, inhibiting factors include limited policy socialization, low MSME human resource capacity, insufficient technical assistance, and the lack of optimal commitment from all regional work units to prioritize local MSME products. Based on Edward III's policy implementation theory, communication, resources, implementers' disposition, and bureaucratic structure are key determinants of policy effectiveness. Therefore, strengthening coordination, enhancing MSME capacity, and simplifying procedures are necessary to optimize the role of the e-catalog system as an instrument for local economic empowerment in Medan City.

Keywords: E-catalog; Government Procurement; Local Economic Empowerment; MSMEs; Public Policy

INTRODUCTION

Local economic empowerment is one of the main strategies for achieving sustainable and inclusive regional development. Within the framework of regional autonomy, local governments have strategic authority to stimulate local economic growth through public policies that support Micro, Small, and Medium Enterprises (MSMEs). MSMEs have been proven to play a significant role in the national economy, particularly in terms of their contribution to Gross Domestic Product (GDP), employment absorption, and income distribution. Therefore, the involvement of MSMEs in government procurement policies constitutes an important instrument for strengthening local economic structures.

One form of the government's affirmative policy toward MSMEs is manifested through the development of an electronic-based government procurement system, particularly the e-catalog. Government procurement of goods and services in Indonesia is regulated under Presidential Regulation No. 16 of 2018 on Government Procurement of Goods and Services, which was later amended by Presidential Regulation No. 12 of 2021. These regulations mandate central and local governments to allocate at least 40 percent of procurement spending to small enterprises and cooperatives, as well as to prioritize the use of domestic products. In this context, the e-catalog serves as a policy instrument designed to enhance transparency, efficiency, and accessibility for MSMEs in government procurement processes.

The e-catalog is an electronic information system that contains lists, technical specifications, and prices of goods or services from verified suppliers, as regulated under Presidential Regulation No. 4 of 2015 and the Regulation of the National Public Procurement Agency (LKPP) No. 9 of 2021. Through the e-purchasing mechanism, government agencies can conduct procurement directly without complex tendering procedures, thereby providing broader opportunities for MSMEs to participate. At the local level, the Medan City Government has developed a local e-catalog as an implementation of national policy as well as a strategy for local economic empowerment, particularly for MSMEs in the food and beverage sector.

From a public administration perspective, the success of a policy is determined not only by the quality of its regulatory framework but also by its implementation process. Edward III (1980) explains that policy implementation is influenced by four main factors: communication, resources, implementers' disposition, and bureaucratic structure. Clear and consistent communication is required to ensure that policies are well understood by target groups, while resources include human capacity, budget, and supporting facilities. Implementers' disposition relates to the commitment and attitudes of officials in executing the policy, whereas bureaucratic structure determines the extent to which organizational procedures and mechanisms support or hinder policy implementation.

This perspective is consistent with the view of Van Meter and Van Horn (1975), who emphasize that policy implementation is a complex process influenced by policy standards and objectives, resources, characteristics of implementing agencies, and prevailing social, economic, and political conditions. In the context of the MSME e-catalog, policy implementation involves not only the readiness of the electronic system but also the preparedness of MSMEs and the commitment of regional work units as budget users.

Several previous studies indicate that the application of the e-catalog in government procurement has both positive impacts and challenges. Iqbal (2020) found that the e-catalog improves procurement efficiency and transparency; however, it has not been fully utilized by MSMEs due to limited access to information and technological capabilities. Diani and Lubis (2022), in their study conducted in Medan City, revealed that the local e-catalog has contributed to economic recovery, yet MSME participation remains limited because of weak socialization and coordination among stakeholders. Meanwhile, Nasution (2021) emphasized that the e-catalog can serve as an effective digital promotion tool for MSMEs, although its success largely depends on the readiness of human resources and the availability of government assistance.

Although previous studies have examined the implementation of the e-catalog, most of them remain general in terms of geographical scope and business sectors. This study specifically focuses on the implementation of the MSME e-catalog policy in the food and beverage sector as an instrument of local economic empowerment in Medan City. The study not only examines the benefits of the policy but also identifies the supporting and inhibiting factors of its implementation based on Edward III's policy implementation framework.

Accordingly, this study is important in providing empirical evidence on the extent to which the MSME e-catalog system functions as an instrument for local economic empowerment, as well as serving as an evaluative reference for local governments in formulating more inclusive, adaptive, and MSME-oriented procurement policies.

REVIEW OF LITERATURE

Policy Implementation Theory

Policy implementation represents a crucial stage in the public policy cycle, as it determines whether policy objectives and targets can be realized in practice. Policy implementation is not merely an administrative activity but also involves interactions among various actors, resources, and social and institutional environments that influence policy outcomes. Therefore, well-formulated policies do not automatically produce optimal results without effective implementation processes.

Edward III (1980) argues that the success of policy implementation is influenced by four main variables: communication, resources, implementers' disposition, and bureaucratic structure. Communication refers to the clarity, consistency, and intensity of policy transmission to implementers and target groups. Resources include the availability of human resources, budget, authority, and supporting facilities. Implementers' disposition relates to the commitment, attitudes, and level of acceptance of officials toward the implemented policy. Meanwhile, bureaucratic structure concerns procedures, working mechanisms, and coordination among organizational units involved in policy implementation.

This perspective aligns with Van Meter and Van Horn (1975), who emphasize that policy implementation is affected by policy standards and objectives, resources, characteristics of implementing organizations, and prevailing social, economic, and political conditions. Both theories highlight that policy implementation is a

multidimensional process requiring synergy between regulations, policy implementers, and the supporting environment.

In the context of the MSME e-catalog system, Edward III's framework is relevant as an analytical tool to examine the extent to which policy communication is understood by MSMEs and procurement officials, the adequacy of available resources, the commitment and attitudes of policy implementers, and the influence of bureaucratic structure on the effectiveness of the e-catalog as an instrument for local economic empowerment.

MSME E-Catalog for Food and Beverage Products in Government Procurement

The e-catalog is an electronic information system provided by the government that contains lists, technical specifications, and prices of goods or services from verified suppliers. In government procurement, the e-catalog functions as an e-purchasing mechanism that enables procurement processes to be conducted in a simpler, faster, more transparent, and accountable manner. The existence of the e-catalog is expected to reduce inefficiencies and expand market access for business actors, particularly MSMEs.

Within the government procurement policy framework, MSME participation is regulated under Presidential Regulation No. 16 of 2018 on Government Procurement of Goods and Services, as amended by Presidential Regulation No. 12 of 2021. These regulations emphasize the government's commitment to supporting small enterprises through procurement spending allocation and the prioritization of domestic products. The development of a local e-catalog serves as a strategic instrument to implement this policy at the regional level.

MSMEs in the food and beverage sector represent a sector with significant potential in government procurement, given the routine demand of local governments for meeting consumption needs related to meetings, official events, and public services. Through the MSME food and beverage e-catalog, local governments can directly access local MSME products that meet administrative and quality standards. At the same time, MSMEs gain market certainty and opportunities to increase income through participation in government procurement.

Nevertheless, the implementation of the MSME food and beverage e-catalog still faces various challenges, including limited understanding of procurement procedures among MSMEs, uneven technological capabilities, and insufficient administrative and business legality readiness. Therefore, the success of the MSME e-catalog as a procurement instrument depends not only on the availability of the system but also on policy support, technical assistance, and strong commitment from local governments to empower local MSMEs.

RESEARCH METHOD

This study employs a descriptive qualitative approach to analyze the implementation of the MSME e-catalog system policy in local economic empowerment in Medan City, particularly in the food and beverage sector. The research was conducted at the Goods and Services Procurement Division of the Medan City Government, involving the Electronic Procurement Service (LPSE).

Informants were selected using purposive sampling and consisted of food and beverage MSME actors, LPSE officials, and government procurement personnel. Data were collected through in-depth interviews, observation, and document analysis. Data analysis

was carried out using the interactive model of Miles and Huberman, which includes data reduction, data display, and conclusion drawing and verification.

RESULTS AND DISCUSSION

Analysis of the Implementation of the UMKM E-Catalog Policy in Local Economic Empowerment in Medan City

The implementation of the UMKM e-catalog policy in Medan City represents the local government's effort to promote local economic empowerment through government procurement of goods and services. This policy aims to open market access for UMKM, particularly in the food and beverage sector, enabling direct participation in government procurement processes. To analyze the policy implementation, this study employed Edward III's policy implementation framework, which includes aspects of communication, resources, implementers' disposition, and bureaucratic structure.

Communication

Policy communication in the implementation of the UMKM e-catalog in Medan City is carried out through socialization activities, technical guidance, and information dissemination by LPSE and the Procurement Office. Conceptually, Edward III asserts that policy communication should be clear, consistent, and continuous to ensure understanding by implementers and target groups.

The study found that policy communication regarding the UMKM e-catalog has not been fully effective. Some UMKM actors do not completely understand registration procedures, e-purchasing mechanisms, and administrative requirements. Additionally, the frequency of socialization remains limited and has not reached all UMKM evenly. This condition has resulted in low UMKM participation in the e-catalog system, despite the availability of the policy.

Resources

Resources are crucial in determining policy implementation success. Edward III emphasizes that the availability of human resources, budgets, and infrastructure strongly affects the effectiveness of policy execution.

The findings indicate that from the local government's side, the availability of procurement personnel and the e-catalog system is relatively adequate. However, many UMKM face limitations in human resources, particularly in mastering information technology, understanding procurement administration, and meeting business legality requirements. These constraints prevent some UMKM from fully utilizing the e-catalog as a marketing tool and access to market opportunities.

Implementers' Disposition

Implementers' disposition relates to the attitudes, commitment, and willingness of officials in executing the policy. According to Edward III, a positive implementer attitude reinforces policy implementation success.

The study shows that some procurement officials have a fairly strong commitment to supporting UMKM participation through the e-catalog system. However, certain government agencies have not fully prioritized local UMKM products in the procurement of goods and services. Concerns over product quality and limited vendor options influence implementers' attitudes toward utilizing the UMKM e-catalog.

Bureaucratic Structure

Bureaucratic structure involves procedures, work mechanisms, and coordination among organizational units in policy implementation. Overly complex bureaucratic structures can hinder policy execution.

The study found that procurement procedures through the e-catalog have been normatively simplified via the e-purchasing mechanism. However, coordination between government units remains suboptimal. Moreover, the absence of a specific standard operating procedure (SOP) governing UMKM e-catalog utilization in more detail has resulted in less-than-optimal policy implementation.

Inhibiting Factors in the Implementation of the UMKM E-Catalog Policy for Local Economic Empowerment in Medan City

The study identified several factors that inhibit the implementation of the UMKM e-catalog policy. Communication and socialization efforts have been limited, leading to insufficient understanding among UMKM regarding registration procedures, e-purchasing mechanisms, and administrative requirements. Furthermore, many UMKM face human resource constraints, particularly in mastering information technology and fulfilling procurement administration requirements. This is compounded by the limited technical guidance and ongoing capacity-building support from local government. Additionally, not all government units have fully committed to prioritizing local UMKM products in procurement processes. These inhibiting factors are interconnected, collectively resulting in low participation levels among UMKM in the e-catalog system and preventing the policy from fully achieving its objective of local economic empowerment.

Supporting Factors in the Implementation of the UMKM E-Catalog Policy for Local Economic Empowerment in Medan City

In addition to inhibiting factors, the study also identified several supporting elements in policy implementation. These include national regulations that favor UMKM, the availability of a local e-catalog platform as a procurement tool, and the support of certain procurement officials committed to UMKM empowerment. Furthermore, the substantial potential of the food and beverage UMKM sector in Medan serves as an important asset in supporting the sustainability of this policy..

CONCLUSION

The implementation of the UMKM e-catalogue system policy in Medan City serves as an instrument for empowering the local economy through government procurement of goods and services, particularly in the food and beverage sector. This policy has successfully opened up market access for UMKM and increased their opportunities to participate in government procurement.

The success of the implementation is influenced by four main factors according to Edward III: communication, resources, implementers' disposition, and bureaucratic structure. The study shows that policy communication and coordination between regional agencies are not yet optimal, UMKM resources are still limited in terms of technology and administration, and the commitment of all regional apparatus to prioritise local products is not yet uniform.

Supporting factors for implementation include national regulations that favour UMKM, the availability of a local e-catalogue platform, support from some procurement

officials, and the large potential of UMKM in the food and beverage sector. Meanwhile, inhibiting factors include limited socialisation, low HR capacity of UMKM, minimal technical assistance, and the lack of optimal commitment from all regional apparatus.

Therefore, to optimise the role of the e-catalogue as a tool for local economic empowerment, it is necessary to improve coordination, strengthen UMKM capacity, and simplify procurement procedures.

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