

STRATEGIC READINESS FOR SUSTAINABLE MSME DEVELOPMENT: INSTITUTIONAL AND COMMUNITY ROLES IN ADVANCING SDGS IN PALANGKA RAYA, INDONESIA

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Abstract. Palangka Raya, as a growing city in Central Kalimantan, intensified its commitment to foster MSMEs competitiveness, including how government encourage local products to enter the international markets. In the first week of December of 2025, the government of Palangka Raya announced their collaboration with customs of Palangka Raya to support MSMEs development to go international through exports. Strategic management and MSMEs owner decisions plays a vital role in MSMEs development and increased competitiveness. This short communication article uses a qualitative approach based on reviewing existing literature and was conducted in the context of MSME development in Palangka Raya. The study examines relevant scholarly works and secondary materials, academic journal articles, books, and news sources. The strategic readiness of MSMEs in Palangka Raya shows significant progress toward entering international markets. Many MSMEs' executives have begun adopting more innovative strategies, including the utilization of digital marketing and product updates to meet international standards. The study concludes that achieving sustainable internationalization of MSMEs in Palangka Raya depends on a balanced approach that combines institutional support, community led efforts, and active strategic planning by the MSMEs themselves. It is essential for MSMEs to continually update their strategies and adapt to market changes, with the hope of achieving long term goals aligned with the SDGs.

Keywords: Institutional Support; MSMEs; MSMEs Internationalization; SDGs; Strategic Management

1. INTRODUCTION

Palangka Raya, as a growing city in Central Kalimantan, intensified its commitment to foster MSMEs competitiveness, including how government encourage local products to enter the international markets. In the first week of December of 2025, the government of Palangka Raya announced their collaboration with customs of Palangka Raya to support MSMEs development to go international through exports.

MSMEs are a vital part of Indonesia's economy, helping to create jobs, spread income more evenly, and strengthen the local economy. From a regulatory perspective, MSMEs are considered productive businesses owned by individuals or companies that meet certain standards to be classified as micro, small, or medium sized enterprises. According to Presidential Decree No. 19 of 1998, MSMEs also represent small scale economic activities that warrant protection from unfair competition. This regulatory foundation underscores the strategic importance of MSMEs within national economic development.

Quoted from Kalteng Pos, the Mayor of Palangka Raya, Fairid Naparin, emphasized the city's commitment "Seiring dengan visi-misi wali kota dan wakil wali kota untuk membantu peningkatan UMKM agar naik kelas, kami ingin mendorong pertumbuhan ekonomi bagi para pelaku UMKM". (Along with the visions and missions that the Mayor and Vice Mayor have to promote MSMEs, we want to support the economic growth for MSMEs' executives.)

This statement furthermore supported by the Head of Customs and Excise Service Section,

Huda Adiasa, stated through Dayak News "Keraguan mengenai skala produk seharusnya tidak lagi menjadi penghalang. Selama tujuannya komersial, kurang dari 30 kilogram pun itu ekspor,". (*The hesitation regarding the scale of production should not be an obstacle anymore. As long as the purpose is commercial, less than 30kg still counts as export.*)

These statements highlight a growing institutional push toward enabling MSMEs to scale beyond local markets, it signals an institutional shift toward enabling MSMEs internationalization. However, expanding into international markets involves more than just meeting regulatory requirements. Small and medium sized enterprises (MSMEs) need to be strategically prepared, which includes their ability to implement new business approaches, use digital tools, follow international standards, and keep up with changing market conditions. Support from institutions like training, guidance, and access to market data is essential in helping build this readiness. Additionally, aligning with the Sustainable Development Goals (SDGs), especially those focused on fair employment, economic progress, and innovation, has become a key factor in assessing the success of MSMEs development efforts.

Therefore, the purpose of this paper is to analyze MSMEs strategic readiness in Palangka Raya and to assess the role of institutional interventions in advancing Sustainable Development Goals (SGDs) oriented development. By focusing on local government actions, community based initiatives, and capacity building efforts, the article contributes to a deeper understanding of how MSMEs in emerging cities can transition from locally oriented enterprises to sustainable participants in global markets.

2. LITERATURE REVIEW

2.1 Strategic Management in MSMEs

Strategic management and MSMEs owner decisions plays a vital role in MSMEs development and increased competitiveness. With a good understanding of strengths, weaknesses, chances and threats, MSMEs owner are able to develop the right strategy to help them compete in the market. It is recommended that management workshop, digital marketing and financial access so that the designed business strategy can be implemented more optimally (Rivaldi & Dwi, 2025). Past study also suggests that the collaboration of local government, education institutes and private sector are needed to be able to build an ecosystem that supports the implementation of sustainable strategic management (Silviana, 2025).

2.2 Institutional Roles

The growing difference in income caused by globalization and digital changes is a big problem when it comes to fairness in society. One way to deal with this problem is through income redistribution, like using progressive taxes, giving subsidies, and offering social help (Novi & Hendra, 2025). The local government holds a strategic role in fostering MSMEs growth by providing comprehensive support, ranging from funding and financing to marketing initiatives and improving product accessibility for consumers. Human resource development can be facilitated through a structured series of trainings and workshops aligned with the specific fields that are being expanded (Anindita, 2022).

2.3 MSMEs and Sustainable Development Goals (SGDs)

MSMEs plays a vital role in the economic development in a country because of their potential contributions. It accounts for the majority of businesses and are important contributors to job creation and global economic development. As said, MSMEs contribute directly to SDG 8, promoting sustained, inclusive, sustainable economic growth and decent work field. It is also contributes to SGD 9, which promote industrialization, innovation and infrastructure (Dasaraju & Tambunan, 2023). Aligning business strategy with SDGs strengthens long-term sustainability and fosters resilience. However, empirical evidence shows that many MSMEs are not yet familiar

with SDG frameworks, resulting in fragmented adoption.

3. RESEARCH METHODS

This short communication article uses a qualitative approach based on reviewing existing literature and was conducted in the context of MSME development in Palangka Raya. The study examines relevant scholarly works and secondary materials, academic journal articles, books, and news sources. Particularly those discussing MSMEs development, sustainability and strategic management. These materials were selected based on the following criteria:

- a. Relevance to MSMEs development, strategic management, or sustainability.
- b. Publication within the last five years.
- c. Coverage of Palangka Raya or similar developing urban areas in Indonesia.

The use of secondary materials was considered appropriate because the aim of the study was to produce a rapid and interpretive analysis consistent with the format of a short communication. Data were collected through systematic document review and analyzed using thematic qualitative analysis. Systematic document review was chosen because it offers a strong and effective way to collect and evaluate various types of secondary sources, like journal articles, books, and reports so that the information given is more comprehensive and fair (Siswanto, 2010). While thematic qualitative analysis was used to identify, analyze, and describe the collected materials and find common ideas and patterns (Novendawati, 2022). This type of analysis works well for combining information from various sources and for creating a clear picture.

4. RESULTS AND DISCUSSION

4.1 Strategic Readiness of MSMEs in Palangka Raya

The strategic readiness of MSMEs in Palangka Raya shows significant progress toward entering international markets. Many MSMEs' executives have begun adopting more innovative strategies, including the utilization of digital marketing and product updates to meet international standards. To support this readiness, training and workshops on business management, marketing, and financial access have been implemented to strengthen the capabilities of MSMEs' executives.

As per 17th April 2025, the TDA (Tangan Di Atas) community is officially set in motion in Palangka Raya, a community that is known for entrepreneurs who empower each other and focus on exploring technology based business resources. There are four programs prepared, that is Growth Mindset, Kelompok Mentor Bisnis (Business Mentor Group), Pesta Wirausaha (Entrepreneur Business Party), and TDA Camp. These programs are designed to help MSMEs grow, connect with others, and create a mutually supportive entrepreneurial ecosystem. Leader of TDA Palangka Raya 1.0, Maulana Malik stated in the community launch event that the presence of TDA in Palangka Raya will be a good start to support the MSMEs' executives' improvements (Kalteng Pos).

- a. Growth Mindset program focuses on encouraging a growth mindset through different workshops and webinars.
- b. Kelompok Mentor Bisnis (Business Mentor Group) It is an activity designed to share knowledge and experience, with the goal of assisting TDA members in improving their business direction through the guidance of a mentor.
- c. Pesta Wirausaha (Entrepreneur Business Party), TDA's largest annual event where entrepreneurs, aspiring entrepreneurs, and professionals gather to exchange knowledge, share inspirations, and explore business opportunities through activities like talk shows, seminars, workshops, business expos, entertainment, and networking sessions.
- d. TDA Camp offers extensive training sessions, focuses on building mental resilience, and strengthen the ties between members.

Maulana also states that the two main program, Kelompok Mentor Bisnis and TDA Camp will be the key driver to push Palangka Raya MSMEs improvements. Quoted from Kumparan, Maulana said “KMB dirancang agar anggota bisa langsung belajar praktik bisnis dari mentor yang omzetnya lebih tinggi. Sedangkan TDA Camp menjadi ruang kebersamaan sekaligus penguatan strategi scale-up. Kombinasi keduanya terbukti efektif mencetak pengusaha yang tangguh, kreatif, dan berdaya saing,” (*KMB is designed to allow members to directly learn business practices from mentors who have higher turnover rates. At the same time, TDA Camp offers a platform for building a sense of community and supports the development of scaling strategies. Together, these two approaches have been shown to effectively cultivate entrepreneurs who are resilient, innovative, and competitive.*)

In addition, cooperation between the local government and key organizations, such as the Palangka Raya Customs Office and the Department of Industry and Labor, helps small and medium sized enterprises (MSMEs) gain better access to market data, rules and regulations, and other resources needed to expand into international markets. By offering export support programs, technical help, and information on trade-related matters, these groups assist MSMEs in overcoming obstacles like lack of knowledge and structural limitations that often stop them from participating in global trade. This kind of support is especially important for MSMEs in developing areas, where little experience with international trade can make it harder for them to compete.

The success of utilizing these opportunities is mainly determined on the commitment of MSMEs’ executives to keep pace with global market trends, modify their products as needed, and make sure they meet international standards for quality, packaging, and certification. Improving production methods, cutting costs, and managing the supply chain efficiently are key to satisfying foreign buyers and keeping export activities running smoothly.

Without a strong drive within the business to learn and change, the support from institutions may not be used properly or may fail to make a difference. Thus, the international expansion of MSMEs in Palangka Raya should be seen as a joint effort between public bodies that offer the right conditions and the MSMEs themselves, who must turn these opportunities into real business actions. This mutual relationship shows how important it is to match institutional actions with the MSMEs’ own abilities to ensure long-term success in international markets.

a. Government Actions and Their Impact

MSMEs play a crucial role in Indonesia's economic growth. Therefore, the government helps and supports these businesses so they can compete in the global market. As announced, the local government of Palangka Raya and customs of Palangka Raya are collaborating with the purpose to support MSMEs development to go international through exports. It can be said that currently the MSMEs in Palangka Raya are preparing building the foundation for entering the international market requires support and guidance from the government in terms of infrastructure and direction, but the genuine progress and achievement depend on how seriously the MSMEs take their responsibility to follow standards, come up with new ideas, and make good use of the resources and facilities available to them, so they can move from being local businesses to global ones.

To dominate the market, MSMEs need to get fast and real time information about market trends and where they can get the resources they need to make their products. To start and succeed in international trade, the government should stay actively involved by keeping track of what's happening and the challenges faced by small businesses in global discussions. The insights from these discussions in Indonesia can help shape both national and international plans for business growth. It's also very important for the government to offer support and training to home-based industries, as this can help small business owners learn new skills, improve the quality of their products, and become more competitive in the market (Irfi et al., 2022).

b. Alignment with Sustainable Development Goals Focused Growth

MSMEs in Palangka Raya demonstrate increasing alignment with Sustainable Development Goals (SDGs), particularly SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation, and Infrastructure). Government export facilitation strengthens MSMEs' contribution to inclusive development. Improved capacity building, digital readiness, and product standardization help integrate sustainability principles into MSMEs operations. Institutional collaboration accelerates SDGs achievement through innovation ecosystems, expanded access to financing, and training programs that encourage environmentally conscious and productive business practices. This shows that MSMEs development efforts in Palangka Raya support both local economic growth and national SDGs targets.

Taken as a whole, these efforts show that supporting small and medium sized enterprises in Palangka Raya not only helps the local economy grow but also helps achieve the country's broader goals for the SDGs.

CONCLUSION

The growth of small and medium-sized enterprises (MSMEs) in Palangka Raya is crucial for driving local economic development and supporting the Sustainable Development Goals (SDGs). Entrepreneurial communities such as TDA Palangka Raya play a pivotal role in building readiness by encouraging the sharing of knowledge, offering guidance through mentorship, and promoting resilience through organized programs such as Kelompok Mentor Bisnis and TDA Camp. These efforts help develop key skills like entrepreneurship, strategic planning, and a business focused approach among MSMEs executives.

Government policy support and collaboration among various institutions, including Customs and the Department of Industry and Labor, have helped create an environment that improves the competitiveness of MSMEs, including their ability to enter international markets. The strategic readiness that has been developed, through training initiatives, technology adoption, enhances access to market information, export facilitation, and operational resources indicates a significant opportunity for MSMEs to contribute more in economic growth.

In addition, the development of MSMEs in Palangka Raya is showing greater alignment with the Sustainable Development Goals, especially SDG 8 and SDG 9. Enhancing skills, preparing for digital transformation, and working together across institutions are helping to drive inclusive and sustainable economic growth. These efforts support innovation, decent jobs, and better infrastructure. The study concludes that achieving sustainable internationalization of MSMEs in Palangka Raya depends on a balanced approach that combines institutional support, community led efforts, and active strategic planning by the MSMEs themselves. It is essential for MSMEs to continually update their strategies and adapt to market changes, with the hope of achieving long term goals aligned with the SDGs.

Future studies could adopt empirical approaches, such as surveys or detailed interviews, to evaluate how entrepreneurial community programs like TDA help improve the performance of small and medium-sized enterprises (MSMEs) and their readiness for exports. Using numerical analysis might also help measure the effects of particular training programs, mentorship systems, and the use of digital tools on the international competitiveness of MSMEs. Furthermore, comparing studies across different regions or cities could offer more understanding of how various organizational structures and policy settings affect the international expansion of MSMEs and their alignment with the Sustainable Development Goals (SDGs).

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