

The Role of Government in Fostering and Promoting Songkok MSME Products to Go International

Indah Datin Nadliroh¹, Sudarmiati², Puji Handayati³

^{1,2,3}Doctoral Study Program in Management Science, Faculty of Economics and Business
Universitas Negeri Malang, Indonesia

Corresponding author: indah.datin.2304139@students.um.ac.id

ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) are essential to the Indonesian economy. One is Songkok, which has strong cultural values and a strong identity. Despite great growth potential, songkok products still face difficulties entering the international market. Therefore, the government's role is significant in fostering and promoting Songkok MSME products so that they can compete in the global market. Through various policies and support programs such as training, improving product quality and access to international marketing, the government is essential in creating opportunities for developing Songkok MSME actors. Promotion through digital platforms, international exhibitions and cooperation with other countries are strategic steps in introducing Songkok products to the global market. This article discusses the role of the government in supporting Songkok MSME actors so that their products can develop internationally, as well as the challenges and opportunities in the process. With the proper guidance, songkok products have the potential to be widely known and make a significant contribution to the Indonesian economy.

Keywords:

Government, UMKM, Songkok, Coaching, Promotion, Going international.

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) play a significant role in the Indonesian economy, significantly contributing to employment, increasing economic competitiveness, maintaining local wisdom, and contributing to GDP. One of the MSME products that has high cultural value in Indonesia is the Songkok, which is a product that is widely used in various religious and cultural events. Songkok has excellent potential to be developed not only in the domestic market but also in the international market. However, significant government intervention is needed in training and promotion to realize this potential, so Songkok products can compete in the global market.

The government's responsibility is to create a climate that supports the development of MSMEs, including products such as Songkok. The government's development and promotion cover various aspects, ranging from improving product quality, providing access to international markets, and training MSMEs to meet global standards. Emphasizing the importance of organizational factors in encouraging digital adoption in MSMEs (Faiz et al., 2024). One strategy that can be used is to utilize digital technology to market products globally. The government can also encourage MSME Songkok in Gresik to participate in international exhibitions and build networks with global companies.

Many policies implemented by the Indonesian government, such as the MSME Development Program through institutions such as the Ministry of Cooperatives and MSMEs, require policies that support and increase the effectiveness of vocational training programs (Faiz et al., 2024), and policy support for various external MSME networks, as well as the importance of collaboration

between networks in encouraging internationalization and innovation (Singh et al., 2022). Playing an active role in encouraging MSMEs to utilize digital platforms and bring Indonesian products to the international market is essential for developing Songkok products. These programs aim to improve product quality and competitiveness and expand the market for Indonesian MSMEs abroad.

The emergence of digital technology has opened up new opportunities for MSMEs to enter the international market. This technology allows MSMEs to reduce costs, increase efficiency, and reach a wider audience (Hinson & Adjasi, 2009). In addition, digital technology will also enable MSMEs to interact directly with their customers and business partners worldwide, allowing them to understand better customer needs and preferences (Molla & Licker, 2005).

However, despite the steps taken by the government, significant challenges remain, such as a lack of understanding of international market needs, limited access to technology, and logistical and distribution constraints. Therefore, there needs to be closer cooperation between the government, MSMEs, and the private sector to create an ecosystem supporting Songkok products' development in the global market. With the proper support, songkok products have great potential to be better known internationally and positively impact the Indonesian economy.

METHOD

This study uses qualitative research. Qualitative research, according to Taylor & Borgan (in Suyanto & Sutinah, 2005) can be interpreted as research that produces descriptive data about spoken and written words and observable behavior from the people being studied. The purpose of this study is to explore the role of the government in supporting Songkok UMKM actors so that their products can spread globally, as well as the challenges and opportunities in the process. With good management, songkok products can be widely known and make a significant contribution to the Indonesian economy. Thus encouraging the formation of UMKM clusters for economic growth and poverty reduction (Anand, 2015).

Based on records from the Cooperatives, Miko Business, Industry, and Trade Service in Gresik Regency, songkok production is located in three sub-districts, namely Gresik, Manyar, and Bungah. There are 240 work units with workforce absorption. They consist of 592 men and 550 women. One of the largest companies is located in Kemuteran Village, Gresik, which has 115 songkok entrepreneurs and a total of 342 employees.

This research was conducted in Gresik with a focus on the role of government, private sector and society especially export-oriented entities in Songkok UMKM. This research uses two types of data. Primary data is data obtained directly from the research subjects or from sources such as the Gresik Micro Business and Trade Cooperatives Service and Songkok Exporter UMKM. While secondary data in this study were obtained from previous research data, and data from media documents and popular newspapers containing information about Songkok UMKM.

The data collection method is carried out using three methods. First, observation to obtain detailed data on behavioral activities, people's actions and general interpersonal interaction abilities and organizational processes that are part of the observed human experience (Suyanto & Sutinah, 2005), especially Songkok UMKM. Second, interviews to obtain information from sources. With the

development of technology, currently interviews are no longer needed through face-to-face meetings, but through the use of technology such as telephones and others. Third, documentation is carried out by collecting documents or written data regarding the UMKM being studied.

RESULTS AND DISCUSSION

1. The Role of Government in Fostering and Promoting Songkok MSME Products to Go International

The role of the government in fostering and promoting Songkok UMKM products to penetrate the international market is very important. Steps that must be taken by the government to support UMKM, especially Songkok, to be better known in the world. By providing training and mentoring services, the government can provide training to UMKM actors in various aspects of business such as business management, marketing, product innovation and skills that meet international standards. Policy intervention is needed to improve non-formal education infrastructure, such as training programs, to equip UMKM owners with practical skills (Zuhroh et al., 2025). This training can be organized by government agencies such as the Ministry of Cooperatives and UMKM or other related agencies. With good coaching, UMKM actors can be better prepared to compete globally.

Encouraging international market access is the government's role in opening international market access for MSME products, including through participation in international exhibitions, for example in ASEAN, China, or Europe. Through this program, products such as Songkok can be better represented in foreign markets. In addition, the government can also facilitate promotions through embassies or trade representatives abroad. Because the central government plays a greater role in organizing exhibitions and local governments need to improve information services related to exhibitions (Sembiring & Subekti, 2021).

Financial support and access to capital are among the biggest challenges faced by MSMEs. The government can provide access to low-interest financing through state financial institutions or microcredit programs to help MSMEs increase their productive capacity. Programs such as the People's Business Credit (KUR) are one way to help MSMEs obtain the capital needed to develop their businesses, because this government initiative greatly supports MSME growth (Sembiring & Subekti, 2021). MSME development requires government support and community involvement, especially regarding access to capital and training programs (Kirome et al., 2022).

The government is also responsible for ensuring that Songkok UMKM products meet quality standards accepted in the international market. This includes product certification, intellectual property rights (such as trademarks or copyrights) and compliance with international trade regulations. This will provide international consumers with confidence in the quality of the products offered.

The government can encourage the use of digital technology for MSMEs, including marketing products online. This includes e-commerce training, website creation, and social media marketing. The government can also create a platform to help MSMEs sell their products globally, such as an international e-commerce platform. In addition, the use of digital platforms that are easily accessible and user-friendly is also an effective strategy. Platforms such as Facebook Marketplace,

Tokopedia, Shopee, and Instagram allow MSMEs to sell their products globally at low cost and ease of use (Parise et al., 2016). By using the analytical capabilities of these platforms, MSMEs can evaluate the effectiveness of their marketing activities and adjust their strategies based on the data obtained.

Emphasizing the importance of government support for innovation and competitiveness of MSMEs in the international market (Amanda et al., 2022). The government can also encourage partnerships between MSMEs and the private sector, both in terms of product distribution and marketing. Through these partnerships, MSMEs can expand their distribution networks and increase the competitiveness of their products. There is a need to increase cooperation between the government, the private sector, and MSME actors to develop local capabilities and meet international standards. In addition to increasing government support to help MSMEs compete in the international market (Sembiring & Subekti, 2021). To facilitate the entry of MSMEs into the international market, the government can simplify export procedures and licensing, such as customs and export documentation. This will facilitate MSME access to the international market and increase their efficiency. Therefore, many MSMEs have succeeded in exporting on their own without government assistance (Sembiring & Subekti, 2021).

The government can launch export and marketing programs aimed at introducing high-quality local superior products to the international world. One of them is through the Indonesia Trade Promotion Center (ITPC) program which helps facilitate the marketing of Indonesian products in foreign markets. Through these steps, the government can provide a significant positive impact on the growth of MSMEs in Indonesia and encourage increased adoption of products such as Songkok in the international market.

2. Challenges in Developing and Promoting Songkok MSME Products to Go International

Developing and promoting UMKM songkok products to penetrate the international market is indeed full of challenges, but also provides great opportunities. The problems faced when promoting and advertising UMKM products in the international market. One of the biggest challenges faced by UMKM is limited access to capital to expand production capacity and conduct market research needed to enter the international market. Products such as Songkok require investment in quality improvement, innovation, and mass production.

In addition, the lack of knowledge about the global market causes many MSMEs, including songkok producers, to still not understand the characteristics and preferences of the international market. This includes a lack of knowledge about global fashion trends, quality requirements, or regulations in the destination country of export. Therefore, MSMEs need to innovate products, marketing strategies, and use online platforms to compete (Kirom et al., 2022). An article containing the results of a survey of Indonesian MSMEs shows that 70% of MSMEs in Indonesia admit to having difficulty understanding the international market, especially in terms of distribution and international standards.

Many MSMEs, including Songkok MSMEs, face major challenges in accessing modern technology and management skills, as many MSMEs still rely on traditional, less efficient business methods (Zuhroh et al., 2025). Technology can increase customer engagement and satisfaction by interacting with product experts

in real time (Parise et al., 2016). Human resources trained in modern manufacturing techniques and digital marketing are also limited, making it difficult for them to use e-commerce platforms or follow global market trends. A World Bank report found that 85% of MSMEs in Indonesia have not utilized the full potential of digital technology, leaving them behind in competition in the international market. For example, there is a need for changes to the regulatory framework and increased digital financial literacy for MSMEs (Abu et al., 2025).

The international market is very competitive, especially with similar products from various countries. For example, the Middle East and Southeast Asia markets have many songkok products or other traditional hats with competitive prices. Developing the right strategy for product differentiation is a big challenge. A study conducted by the Indonesian Ministry of Trade shows that domestic and international product market competition, especially from countries with low production costs, is often a major obstacle to entering the global market.

Each country has strict regulations regarding products, packaging, labeling, and product certification standards that must be met by goods to be exported. This is a big challenge for MSMEs who have limited knowledge and resources to meet these standards. The WTO (World Trade Organization) report notes that many countries require MSME products to meet certain quality standards before they can be sold, which can be a big obstacle for Indonesian MSMEs.

3. Opportunities in Developing and Promoting Songkok MSME Products to the International Market

In many countries, interest in products containing cultural and traditional elements is increasing. Songkok as a symbol of Indonesian culture is able to attract the attention of international consumers who are interested in products with strong cultural and historical values. Based on the report of the Indonesian Ministry of Tourism and Creative Economy, there is a global trend towards the consumption of products with local ethnic and cultural elements, especially in the European and American markets.

With the rapid development of e-commerce and digital platforms, UMKM songkok products have easy access to global marketing. International marketplaces such as Amazon, Ebay or Asian e-commerce platforms such as Alibaba provide opportunities for local Indonesian products to penetrate the global market without the need to have physical stores abroad. Data from APJII (Association of Indonesian Internet Service Providers) shows that Indonesia is experiencing significant growth in e-commerce transactions, with transaction volumes estimated to increase by more than 20% annually, which is a great opportunity for UMKM.

The Indonesian government is increasingly active in supporting MSMEs through various programs including increasing promotion at international exhibitions, financial assistance and MSME export programs. This provides a great opportunity to promote songkok products in the international market. The Ministry of Trade of the Republic of Indonesia runs the Indonesia Trade Promotion Center (ITPC) program, which helps MSMEs enter the international market.

The demand of Indonesian people abroad can also be a potential market for local products, including Songkok. They tend to look for products that have cultural values and Indonesian identity, which can be an opportunity to introduce these products abroad. The National Counterterrorism Agency report states that

Indonesian expatriates living in various countries can be a strong link to local products, including traditional clothing and accessories.

There is a growing interest among international consumers in choosing environmentally friendly and sustainable products. If the Songkok is made from environmentally friendly raw materials and prioritizes sustainability, then the product can attract consumers who are increasingly concerned about environmental issues. According to the Nielsen Global Consumer Trends Report, 73% of consumers worldwide prefer environmentally friendly products, creating opportunities for SMEs that produce environmentally friendly products.

4. Effective Government Strategy in Fostering and Promoting Songkok MSME Products to Go International

To encourage and promote Songkok MSME products to penetrate the international market, the government has several effective strategies that can be implemented. One of the major challenges faced by MSMEs is limited capital to increase production capacity and expand the reach of the international market. Therefore, the government must ensure easier and more affordable access to financing for MSMEs. The government can expand the People's Business Credit (KUR) program to help MSMEs access financing with low interest rates. Involve state-owned banks in providing loans with more flexible requirements, especially for micro, small, and medium enterprises that want to increase their production capacity to meet international demand. According to the Ministry of Cooperatives and MSMEs and the Financial Services Authority (OJK), financing is an important aspect in MSME development, and easy access to credit can encourage the expansion of MSME products to the international market.

By conducting training and capacity building programs so that Songkok UMKM products can compete in the international market, UMKM actors must understand the ins and outs of the global market, from business management and marketing to international standards. The government can provide appropriate training to improve the abilities of UMKM participants. Provide training in business management, branding and international marketing. Provide training in the use of e-commerce platforms and social media as a tool to introduce products at the global level. Because consumers expect a higher level of service and use various channels to make purchases (Parise et al., 2016). Increase understanding of international regulatory requirements, including quality standards, product certification, and export procedures. Through the Ministry of Cooperatives and UMKM and the Entrepreneurship Development Institute, training is often provided to help UMKM understand the international market and become more competitive.

International exhibitions and promotional events are one of the effective ways to introduce UMKM songkok products to the global market. The government must actively encourage UMKM participation in international exhibitions to increase awareness of Indonesian products. The strategy implemented by the government can increase UMKM participation in international exhibitions held domestically and abroad, such as the Indonesia Trade Fair or other related international exhibitions. Assist UMKM in preparing promotional materials that meet international standards, including the use of appropriate foreign languages and attractive designs. According to the Ministry of Trade of the Republic of Indonesia, the Indonesia Trade Promotion

Center (ITPC) program helps Indonesian UMKM participate in international exhibitions to introduce high-quality products.

Digital technology and e-commerce platforms are very important ways to promote MSME products in the international market. The government can provide better digital infrastructure and support MSMEs to use technology. Encourage training for MSMEs to use international e-commerce platforms such as Amazon, Alibaba or Ebay so that products such as Songkok can be sold directly to international consumers. Encourage the development of special e-commerce websites that facilitate the promotion of local products worldwide. According to the Indonesian Internet Service Providers Association (APJII), the emergence of e-commerce provides a great opportunity for MSMEs to sell their products to the global market at a cheaper price.

MSMEs need support from the government and related institutions in the form of training and policies (Dayat et al., 2024). The government can help MSMEs establish partnerships with international business entities, both in terms of distribution, marketing, and production. This network can increase market access and increase trust in products abroad. Help MSMEs build partnerships with official international distributors or retailers so that Songkok products are easier to find in foreign markets. Help MSMEs collaborate with multinational companies or foreign investors who are interested in distributing products abroad. The Ministry of Trade and the Indonesian Export Agency often hold programs and events that bring together MSMEs with potential business partners in the international market.

Simplification of export procedures and systems and complicated export procedures and systems often create obstacles for MSMEs to penetrate the international market. The government must develop policies that simplify the export process and make it easier for MSMEs to comply with international standards. Simplify export procedures and make it easier for MSMEs to obtain export permits, and assist in processing export documents such as certificates and product packaging. Provide free consultation services to help MSMEs understand international regulations and procedures required for export. According to the Investment Coordinating Board, ease of regulation and simplification of export procedures are key factors in increasing the competitiveness of MSMEs in the global market.

By providing tax incentives and support, the government can also provide incentives to MSMEs that have the potential to expand internationally, including tax cuts, subsidies or direct assistance to support promotional and marketing costs. Providing tax incentives or export subsidies to MSMEs that have succeeded in increasing their product exports to the international market. Opening access to promotional subsidies or affordable exhibition costs for MSMEs who want to display their products abroad. Therefore, the Indonesian Ministry of Finance offers various tax incentives and special incentives to encourage the export of MSME products.

Discussion

The Indonesian government plays a crucial role in supporting Micro, Small, and Medium Enterprises (MSMEs), particularly those producing the culturally significant Songkok. To help these businesses compete globally, the government undertakes various initiatives, including providing training, facilitating access to international markets, and offering financial support. Digital technology is identified

as a key tool for MSMEs to reduce costs, enhance efficiency, and broaden their reach, enabling direct interaction with global customers and partners.

Despite governmental efforts, MSMEs face significant challenges, such as a lack of understanding of international market needs, limited access to technology, and logistical constraints. To overcome these obstacles, closer collaboration between the government, MSMEs, and the private sector is essential. Qualitative research, focusing on the Gresik region, highlights the government's role in supporting Chinese MSMEs, the challenges they encounter, and the opportunities available. The government's strategies include providing training and mentoring, encouraging international market access through exhibitions, and offering financial support via programs such as People's Business Credit (KUR).

Effective government strategies to promote Songkok MSMEs internationally include ensuring easier access to financing, conducting training and capacity-building programs, and encouraging participation in international exhibitions. Additionally, the government should support the use of digital technology and e-commerce, facilitate partnerships with international businesses, simplify export procedures, and provide tax incentives. These measures aim to enhance the competitiveness of Songkok products in the global market and foster the growth of Indonesian MSMEs.

CONCLUSION

The Indonesian government has many effective strategies to foster and promote Songkok MSME products in the international market. By increasing access to financing, providing training, facilitating promotions at international exhibitions, utilizing e-commerce and simplifying export regulations, the government can help Indonesian MSME products become more competitive in the global market. The success of these programs depends on cooperation between the government, MSMEs and medium enterprises and the private sector.

Fostering and promoting Songkok UMKM products in the international market certainly has many challenges, including limited access to capital, global market knowledge, and tight competition. However, there are great opportunities that can be utilized, such as the development of e-commerce, increasing interest in local cultural products, and increasing government support for SMEs. With the right strategy, Songkok products can enter the international market and achieve global success.

Acknowledgment

Thank you to the Gresik songkok UMKM actors, the Gresik Cooperative, UMKM, Industry and Trade Service who have been willing to be interviewed and support this research, so that it can produce scientific articles.

Reference

- Abu, N., Da Silva, F. P., & Vieira, P. R. (2025). Government support for SMEs in the Fintech Era: Enhancing access to finance, survival, and performance. *Digital Business*, 5(1), 100099. <https://doi.org/10.1016/j.digbus.2024.100099>
- Amanda, I. S., Shihabudin, M., Jaya, B. P. M., & Fasyehudin, M. (2022). Peran Pemerintah dalam Pengembangan UMKM Nasional dan Membangun Negeri di Pasar Internasional. *Yustisia Tirtayasa: Jurnal Tugas Akhir*, 2(1), 13. <https://doi.org/10.51825/yta.v2i1.13641>

- Anand, B. (2015). Reverse Globalization by Internationalization of SME's: Opportunities and Challenges Ahead. *Procedia - Social and Behavioral Sciences*, 195, 1003–1011. <https://doi.org/10.1016/j.sbspro.2015.06.359>
- Asosiasi Penyelenggara Jasa Internet Indonesia (APJII).
- Badan Ekonomi Kreatif (BEKRAF). (2021). Program Pemasaryakatan Produk Kreatif Indonesia di Pasar Internasional. www.bekraf.go.id.
- Badan Ekspor Indonesia (BEI)
- Dayat, M. D., Imam, I., Mukhlis, & Fulgentius, F. D. M. (2024). Peran Teknologi Informasi dalam Mendorong Internasionalisasi UMKM. *Journal of Economic, Management and Entrepreneurship*, 2(2), 86–91. <https://doi.org/10.61502/jemes.v2i2.99>
- Faiz, F., Le, V., & Masli, E. K. (2024). Determinants of digital technology adoption in innovative SMEs. *Journal of Innovation & Knowledge*, 9(4), 100610. <https://doi.org/10.1016/j.jik.2024.100610>
- Hinson, R. E., & Adjasi, C. K. D. (2009). The Internet and Export: Some Cross-Country Evidence from Selected African Countries. *Journal of Internet Commerce*, 8(3–4), 309–324. <https://doi.org/10.1080/15332860903467730>
- <https://radargresik.jawapos.com/pojok-perkoro/834804667/giliran-ekspor-songkok-pemkab-gresik-kembali-bantu-pengrajin-umkm-ke-brunei-darussalam>
- Kementerian Koperasi dan UKM Republik Indonesia. (2020). Peningkatan Kapasitas dan Akses Pasar bagi UMKM Indonesia. www.kemenkopukm.go.id.
- Kementerian Perdagangan Republik Indonesia.
- Kirom, N. R., Sudarmiatin, S., & Hermawan, A. (2022). E-Commerce Strategy for MSME Innovation Development in the New Normal Era. *International Journal of Environmental, Sustainability, and Social Science*, 3(1), 169–178. <https://doi.org/10.38142/ijess.v3i1.125>
- Parise, S., Guinan, P. J., & Kafka, R. (2016). Solving the crisis of immediacy: How digital technology can transform the customer experience. *Business Horizons*, 59(4), 411–420. <https://doi.org/10.1016/j.bushor.2016.03.004>
- Peraturan Pemerintah tentang UMKM, UU No. 20 Tahun 2008 tentang UMKM.
- Pratama, D. (2022). Strategi UMKM dalam Meningkatkan Daya Saing di Pasar Global. *Jurnal Ekonomi dan Bisnis Indonesia*, 10(2), 45-60.
- Sembiring, R. A., & Subekti, T. (2021). Analisis Aktor dalam Tata Kelola Usaha Mikro Kecil Menengah (UMKM) Kota Batu untuk Kualitas Internasional. *Jurnal Ilmiah Ilmu Sosial*, 7(1), 31. <https://doi.org/10.23887/jiis.v7i1.30416>
- Singh, R., Chandrashekar, D., Subrahmanya Mungila Hillemane, B., Sukumar, A., & Jafari-Sadeghi, V. (2022). Network cooperation and economic performance of SMEs: Direct and mediating impacts of innovation and internationalization. *Journal of Business Research*, 148, 116–130. <https://doi.org/10.1016/j.jbusres.2022.04.032>
- Suyanto, Y. (2021). Peran Pemerintah dalam Pengembangan UMKM di Indonesia. Jakarta: Penerbit Indeks.
- Suyanto, B., & Sutinah. (2005). Bagong Suyanto dan Sutinah (ed). 2005. Metode Penelitian Sosial: Berbagai Alternatif Pendekatan. Kencana: Prenadamedia Group. Jakarta: Kencana Prenada Media Group
- World Trade Organization (WTO)



Zuhroh, D., Jermias, J., Ratnasari, S. L., Sriyono, Nurjanah, E., & Fahlevi, M. (2025). The impact of sharing economy platforms, management accounting systems, and demographic factors on financial performance: Exploring the role of formal and informal education in MSMEs. *Journal of Open Innovation: Technology, Market, and Complexity*, 11(1), 100447. <https://doi.org/10.1016/j.joitmc.2024.100447>