

## Research Article

# The Role of E-Catalog as a Service Innovation in Enhancing Government Procurement and Empowering MSMEs: A Literature Review

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## Abstract.

The digitalization of public services drives the government to develop a more transparent, efficient, and accountable system for goods and services procurement through the e-catalog platform. This study aims to examine conceptually and empirically the role of e-catalog as an innovative tool in enhancing the quality of government procurement services and its impact on empowering MSMEs. The method used is a literature review of relevant national journals and conference proceedings. The findings show that the implementation of the e-catalog accelerates procurement processes, shortens distribution chains, and broadens market access for MSMEs. However, challenges such as limited access to information, digital literacy, and production capacity remain obstacles to optimal MSME participation. Therefore, the e-catalog needs to be strengthened with affirmative policies, technical training, and capital support to prepare MSME actors to compete in the digital procurement system.

**Keywords:** e-catalog, MSMEs, goods/services procurement, public service, literature review

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## 1. Introduction

Bureaucratic reform in Indonesia has led to various public service innovations, one of which is the digitalization of the procurement system. The e-catalog system managed by the National Public Procurement Agency (LKPP) represents a concrete effort to improve the efficiency, transparency, and accountability of services [1]. Besides streamlining bureaucracy, this system also opens significant opportunities for Micro, Small, and Medium Enterprises (MSMEs) to participate in the government procurement ecosystem [2], [3].

However, many challenges remain, both in terms of the system's technical aspects and the readiness of MSMEs themselves. Many studies have not yet summarized the dual role of e-catalogs as service mechanisms and economic intervention tools



simultaneously. Thus, it is essential to review the literature to assess how the e-catalog plays a strategic role in both public service and local economic empowerment.

## 2. Research Methodology

This study uses a descriptive-analytical literature review approach. Data sources were obtained from six (6) accredited national journals and proceedings relevant to the themes of procurement, e-catalog digitalization, and the role of MSMEs in this ecosystem. Inclusion criteria included:

- Articles discussing e-catalog implementation
- Articles examining its impact on MSMEs
- Articles published between 2020–2024

Data analysis employed a thematic literature synthesis method, grouping and categorizing themes to produce synthesized findings presented in a literature analysis matrix. These were then interpreted to answer the research questions and identify both theoretical and practical implications of this review. Through this systematic thematic synthesis process, the study aims to provide a clear and in-depth depiction of the dual role of e-catalogs as both service mechanisms and tools for economic intervention.

## 3. Discussion

### 3.1. E-Catalog Plays a Significant Role in Procurement Services

The e-catalog is part of a digital transformation that accelerates public services, particularly in procurement. According to [1], the e-catalog facilitates rapid, transparent, and needs-based procurement for government institutions. It also reduces traditional bureaucratic inefficiencies.

[2] notes that e-catalogs enhance transparency and procurement quality by cutting out unproductive intermediaries. This aligns with public service innovation and good governance principles.

Despite highlighting the benefits [1], [2], these discussions often overlook potential drawbacks of the e-catalog system, such as vendor monopolies or regional access disparities. [1] emphasizes system advantages without critically evaluating its limitations in complex bureaucratic contexts.

### 3.2. The Impact of E-Catalog on MSME Empowerment

The use of e-catalogs by MSMEs opens up market access previously limited by bureaucracy and large company dominance. [3] reports that MSME participation in e-catalogs increases revenue and local competitiveness.

However, challenges such as limited capital, internet access, and low digital literacy among MSMEs persist [4]. [5] highlights that Surabaya's "e-Peken" program significantly boosted MSME transactions but still requires extensive training and assistance. [6] add that order efficiency, marketing ease, and pricing flexibility positively influence MSME development, particularly in regions like Magetan.

While previous studies successfully identified e-catalog's positive effects on MSMEs [3], [5], few have critically assessed whether these programs effectively reach micro-MSMEs who face greater challenges. References such as [4] and [6] focus only on select cities, lacking generalization or comparisons with disadvantaged (3T) regions, resulting in an incomplete analysis.

### 3.3. Policy Implications

To optimize the e-catalog in supporting public services and MSMEs, it is necessary to:

- Provide regular technical training and digital literacy
- Offer financial support to help MSMEs meet government standards
- Continuously promote awareness of the e-catalog's mechanisms and benefits

Local and central governments should collaborate with LKPP to formulate affirmative regulations and policies, including local e-catalog programs prioritizing MSME products and services. While the policy recommendations in earlier studies are relevant, they remain normative and lack concrete policy evaluations. For instance, the effectiveness of the "e-Peken" program [5] or other regional incentives has not been critically examined. Moreover, the implementation and supervision of affirmative policies like the 40% local MSME procurement quota are not discussed.

### 3.4. Summary Table of Literature Related to E-Catalog and MSME Empowerment

The literature offers a diverse range of perspectives, from system efficiency and transparency to the specific barriers MSMEs face when engaging with e-catalog platforms.

Several studies also examine the localized implementation of e-catalog initiatives in various Indonesian cities, highlighting both structural enablers and constraints. The following Table 1 summarizes key studies that provide insights into the roles, challenges, and outcomes associated with e-catalog use in relation to MSME participation and empowerment

TABLE 1: Summary of Literature Related to E-Catalog and MSME Empowerment.

No	Author & Year	Study Focus	Key Findings
1	Iqbal (2020)	Efficiency of the e-catalog system in procurement	Improves transparency and government transaction efficiency
2	Khumaira (2024)	E-catalog impact on distribution and MSMEs	Cuts intermediaries and opens access to government markets
3	Nadillah (2024)	MSME participation barriers in e-catalog	Main obstacles: low digital literacy and information access
4	Prikustiawan (2023)	Implementation of Surabaya's local e-catalog (e-Peken)	Significantly boosts local MSME transactions
5	Faujianto et al. (2023)	E-catalog efficiency and flexibility factors	Facilitates marketing and price setting for MSME products
6	Maahira (2023)	MSME empowerment through Medan's e-catalog program	Government-MSME synergy crucial for local success

4. Conclusion

E-catalogs are public service innovations with an extra role in government procurement systems. In addition to improving bureaucratic efficiency, they function as tools for local economic empowerment through MSME participation. However, to realize these benefits equitably, supportive policies and capacity building for MSMEs in digital systems are essential. This way, e-catalogs will not only be administrative tools but also instruments of inclusive economic development. This study, however, has limitations in researching the e-catalog's extended role in enhancing bureaucratic efficiency and MSME empowerment. Future research should analyze affirmative regulations (e.g., local MSME procurement quotas) and government incentives such as financing, training subsidies, or streamlined technical regulations that significantly impact MSME participation.

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