

The Implementation of Micro, Small, and Medium Enterprises (UMKM) Policy in Makassar Based On Bromley Model

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Abstract—The success of the national development is not solely determined by the economic growth, but also by the ability to formulate and establish a fair and conducive public policy for the empowerment of MSMEs. The purpose of this research was to investigate the implementation of MSME empowerment program based on the Bromley Model that is the implementation in policy level, organizational level, and operational level hierarchy. This qualitative descriptive research was conducted in Mariso, Makassar focusing on the implementation of MSME empowerment program policy in that city. Through observation and interviews, primary and secondary data were collected. The results showed that the Micro Small and Medium Enterprises empowerment policy in Makassar at the policy and organization level has been described and implemented based on Bromley model. While the operational level has not been run in accordance with the Bromley model. This is because the empowerment in the potential resources for small entrepreneurs, technology development, and marketing field is still low, so the policy at the operational level is necessary to be capable of providing comprehensive solutions to the empowerment of SMEs, especially for small businesses in Makassar.

Keywords—*the policy Implementation, empowerment, SMEs.*

I. INTRODUCTION

The empowerment of Micro, Small and Medium Enterprises (MSMEs) and Cooperation is a strategic step in improving and strengthening basic economic life for most Indonesian people, especially through the provision of employment and reduce the poverty gap and level.

Symptoms of poverty is one of the classic social problems, complex and global.[1], [2] Called a classic because of poverty has been around a long time and until now have not really insurmountable. Said to be complex because of its handling requires a combination of various approaches.[3]–[7]. Global declared as the symptoms of poverty in many countries, both developed countries especially developing countries.[8]–[11] One sector that is experienced in dealing with the problem of poverty is the sector of Small and Medium Enterprises (SMEs) which could open job opportunities to the Indonesian population is the SME sector.

The policy of MSME empowerment run by the government is in line with the theory of policy proposed by

Bromley (1989) that divided them into three levels, i.e. policy level, organization level, and operational level.[12] In the context of the empowerment of small-scale enterprises, the Makassar governments refer to the Cooperation Service, SMEs, Industry and Trade, in accordance with the Regional Regulation as one of the mandates contained in the Regional Regulation of Makassar Number 10 of 1990 on the Development of street vendors in the region of Makassar.

Various problems faced by small businesses that become a bottleneck in the development effort is a policy issue empowerment of SMEs, such as those raised by Susilo in his research.[13] that some of the problems faced by SMEs, among others: (1) Marketing; (2) Capital and funding; (3) Innovation and utilization of information technology; (4) Use of raw materials; (5) production equipment; (6) Absorption and workforce empowerment; (7) business development plan; and (8) readiness to face the challenges of the external environment, While Irianto stating the constraints faced by small businesses involves four things: a. Capital Issues b. Production problems c. Human Resources Issues d. Access Issues Marketing.[14]–[16]

One of the regions that contributes to the development of MSMEs in South Sulawesi is Makassar. In that city, there are 2,403 business unit managers. While the number of data which are classified as small businesses is 407, medium business is 64, and big business is 13. The data illustrates that there are many businessmen in Makassar who are still classified in the micro business category. This is a not positive condition considering that ideally, entrepreneurs from year to year should show a better performance so that micro entrepreneurs could grow to be small, medium, and big business.[17]

Based on this background, the main issue studied in this research was "How is the implementation of MSME empowerment program reviewed from Bromley Model Policy approach, i.e. policy level hierarchy, organizational level, and operational level in Makassar?" In addition, the implementation of MSME empowerment program was also investigated. The results of this study were expected to provide benefits in the study of public policy and the development of the SME sector to support small entrepreneurs become tough and independent entrepreneurs.

II. RESEARCH METHODS

This qualitative research aims to describe the implementation of MSME empowerment policy in Makassar based on Bromley policy model. The research was located in Mariso, considering that the sub-district has a larger population who run business. Such condition allows us to conduct a more in-depth research. This study focused on explaining the implementation of policies on the empowerment of MSME programs, especially the small businesses in Makassar.

The data collected in this research were primary data and secondary data from informants with criterion: entrepreneurs aged 20 years and above, had been running the business for at least 3 years and got business capital aid from the financial institution. The data collection techniques in this research were observation and interview. The steps of data analysis in this research included; 1) reviewing all available data from various sources, 2) reducing data classified based on the group of problems which were being studied, 3) doing a verification (drawing inference) that was finding the meaning of the collected data to obtain a clear description of the implementation of MSME empowerment program policies in Makassar based on Bromley's policy model.

III. RESULTS AND DISCUSSION

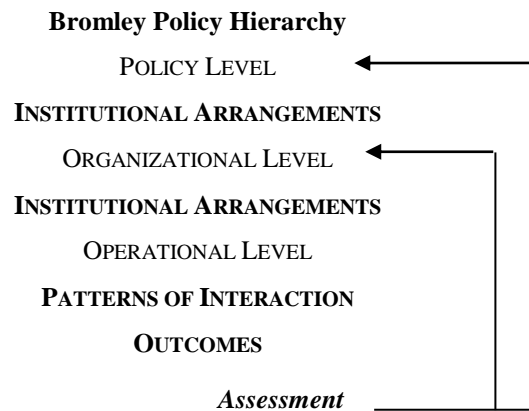
Referring to the above concept and understanding of An analysis of a public policy product which is, in this case, the small enterprise development can be done using the Bromley concept which basically divides the policy into three levels, i.e. policy level, organization level, and operational level. Based on the Bromley policy process model, it can be explained that at the political level, there are high state institutions or legislative bodies authorized to issue regulations (policy) on the broadest scale, for example, Laws or Government Regulations.

Furthermore, to implement the Law or Regulation, at the organizational level, the government has an agency including departmental or non-departmental institution, as a further elaboration of a higher policy. Subsequent institutional arrangements occur between the organizational level and the operational level occupied by individuals, officials in the provinces or districts, populist economic actors, banking circles, and other institutions.

This study using Bromley policy approach that divides the three hierarchies, namely the policy level, organization level, and operational level. In a democratic state level policy played by the judiciary and the legislative, while organizational level being played by the executive. Further operational level implementation units held by such official, institution or ministry

At each level, public policy is manifested in the form of institutional arrangements or legislation that is adjusted to the hierarchy level. While pattern interaction is the synergy between the lowest policy implementers (street level bureaucrat) and the target group of policies that shows the pattern of policies implementation that determines the impact (outcome) of the policy. The results of a policy within a specified time period will be reviewed (assessment) as the feedback for all levels of policy that is expected to show an

improvement in the policy. For more details, see the Bromley policy hierarchy



Source : Bromley, 1989. *Economic Interest and Institutions*

A. The Policy Level

In implementing the empowerment pattern of MSMEs perpetrators, Government of Makassar is always based on Law Number 20 of 2008 on the Empowerment of SMEs. This is in accordance with the results of the interviews obtained by researchers stating that the existence of the UMKM Empowerment Law becomes the direction and guidance in preparing and implementing operational programs in the empowerment of MSMEs in Makassar (Interview with the Head of Makassar MSMEs).

As explained in the Law of the Republic of Indonesia Number 20 of 2008 on Micro, Small and Medium Enterprises which has been formulated in the form of empowerment of SMEs, the Department of Cooperatives and SMEs set programmed empowerments in each region to synchronize the central programs to the region, as Bromley's statement that an interaction pattern is required between intermediate policy implementers (street level bureaucrat) and target group, so policy-level can bring outcome from the policy.

B. The Organizational Level

The government in the organization level, Ministry of Cooperatives and SMEs, has developed medium-term development plan (RPJM) which emphasizes on the empowerment of Cooperatives and UMKM, by 1). increasing the number and roles of cooperatives and MSMEs in the national economy, 2) Increasing the empowerment of Cooperative and SMEs, 3) strengthening the competitiveness, 4) increasing the production and marketing of Small and Medium National Enterprises, 5) providing financing access to the Cooperative and SMEs, 6) developing the Entrepreneurship Cooperative and SMEs, and 7) improving business climates which are more pro-SMEs.

In line with the strategy and by considering the internal and external conditions ahead, the priority policy direction in the field of empowerment of Cooperatives and SMEs that will be pursued in the next five years through 5 (five) priority focus, namely; 1) increasing the conducive business climate for MSMEs, 2) increasing the access to productive resources, 3) developing Product and marketing for MSMEs, 3)

increasing competitiveness and the quality human resources, and 4) strengthening the MSMEs institutions.

C. The Operational Level

The development priority policies and targets from 2014-2019 as set forth in the Regional Medium Term Development Plan (RPJMD) 2014-2019 (susilawati,2016) is a policy of strengthening the economic structure with priority programs; 1) the creation of a conducive investment climate, including the provision of adequate information systems, improvement of facilities for community economic activities and services on the business based on information technology; 2) the economic empowerment for citizen including the development of citizen's industrial centers, the implementation of regulations that favor the formation of productive business groups in SMEs and the establishment of District Business Clinic.

In 2017, the Cooperatives and SMEs Department in Makassar planned a program that was believed to support the productivity and creativity of SMEs prospective actors and perpetrators who had run their business for a long time. Based on data from the Department of Cooperatives and SMEs in Makassar in 2017, the number of MSMEs in Makassar was 12,680, including; 7,250 people running Micro Business, 4,441 people running a small business, and 989 people running Medium Enterprises. (Guntur,2016).

Many coaching conducted by the Cooperatives and MSME Office, which are mostly training and counseling for MSMEs, are expected to be able to develop MSMEs in Makassar. The quality of human resources and management is also an important aspect to be developed and has been strived by the Department to be able to compete and increase production of SMEs. (Makassar City Regional Regulation No. 10 of 1990 on the Development of Street Vendors in Makassar City Region)

Programs related to the empowerment of MSMEs which have been implemented by the Coordination Service and MSMEs Makassar City are:

1. Training of embroidery technique guidance for MSMEs with the aim of increasing the skill of 15 entrepreneurs of Embroidery & Convection business,
2. Processing and Development of UMKM services in alleys with the aim of Increasing the Productivity of Societies living there in every District. The number of the participants in this program is not limited,
3. Processing and development of culinary business to improve the knowledge of culinary entrepreneurs particularly in terms of business management. The numbers of participants are 10 (SMEs actors),
4. Processing and development of culinary business to widen the insight and improve the skill about waste processing opportunity as a household business product. The number of participants is unlimited,
5. Providing the technical guidance of household waste treatment to the MSME and exhibit their products in

every event in Makassar. The number of participants is unlimited,

6. Facilitating the marketing of MSME products through training to improve the design of handicraft and culinary products, to enhance the packaging quality, and to strengthen the characteristics of culinary and handicrafts by MSMEs The numbers of participants were 10 (SMEs actors),
7. Training on Information and Technology to increase the utilization of technology in product marketing. The numbers of participants were 30. Work Program Department of Cooperatives and SMEs Makassar City Year 2016-2017)

Based on the findings of research on the implementation of MSME empowerment program of Dinas Cooperative and SMEs in Makassar, it can be explained that the SMEs empowerment program has been implemented based on the priorities in accordance with the planning outlined in the program of Cooperatives and SMEs Makassar and the program still continues until now. However, there are still some programs that have not been realized at the level of operational level, including the limited potential resources for small entrepreneurs, technology development in production and information, and the marketing products. This research in line with the findings of research by Nawangsari (2016) that empowerment program run still not up, especially in terms of marketing, and management.

Discussion

1) Policy Level

As described in the Law of the Republic of Indonesia Number 20 of 2008 on Micro, Small and Medium Enterprises which have been formulated in the empowerment of SMEs. Department of Cooperatives and SMEs compose Program is empowerment in each region to synchronize between central programs with the area, as the opinion of Bromley who explained that the required pattern of interaction is a pattern of interaction between implementers bottom (street level bureaucrat) with the target group (target group), so that the level of policy or policy can make an impact (outcomes) of the policy.

2) Organization Level

In line with the strategy and considering the internal and external conditions in the future, priority policy towards the empowerment of Cooperatives and SMEs will be pursued in the next five years through five (5) priority areas, namely; 1) Improved business climate conducive to SMEs, 2) Increased access to productive resources, 3) Development of products and marketing for SMEs, 3) Improving the competitiveness and human resources, 4) Empowering SMEs.

3) Operational Level

The development of SMEs in the city of Makassar in the context of poverty reduction and arrangement of small business merchant can not be separated from the role of the city government, specifically the Department of SMEs and cooperatives, because the government is a party that has been able to provide support to SMEs, especially in terms of financial resources through banking institutions and non banking and conduct various training and business development to businesses in the field of SMEs and strategic

development for targets empowerment of SMEs in Makassar. This is in line with the results of research by Machmud (2013) that the development of small and medium enterprises (SMEs) can be done with the strategic approach to examine first the factors that affect the small and medium enterprises (SMEs) with an analysis of the advantages of SMEs and the success of SMEs conducted by SWOT analysis, which in the end does a formulation of the concept development of SMEs and objectives and targets to be achieved to enable SME development strategy by issuing a policy of development and SMEs program.

IV. CONCLUSION

Based on Bromley's policy model at the policy and organization level, the MSMEs empowerment policy has been implemented according to Law No. 20 of 2008 on the Empowerment of MSMEs and Ministry of MSMEs and Cooperatives Program. However, there are still some programs that have not been well implemented at the operational level, such as those to increase the mastery of potential resources for small entrepreneurs, technology development, and marketing.

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