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## **The Implementation Model of Policy for Small Business Empowerment Programs in Wajo Regency, Indonesia**

(Policy institutional actors that include Pillars, Regulatives, Kongnitives, and Normatives, in the structure of MSME policy)

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### **Abstract**

The research article aims to explain the existence and strategic role of micro, small and medium Enterprise (MSMEs) in the economy in a region, the creation of a robust industrial system, and the backbone of a strong economy. This study uses a type of descriptive research with qualitative methods, which describes how government policies in this case the growth of the business climate implemented in silk weaving craftsmen in Wajo District. Data collection technique are observation and interview. The results show that the role of the Wajo Regency government in this case the office of cooperatives and MSMEs is to provide direction and targets to realize micro, small and medium enterprises for the silk weaving industry and other businesses. In this case the role of the government is very necessary in fostering micro enterprises so that they can be formulated in accordance with environmental conditions in increasing the income of small business managers in Wajo Regency.

**Keywords:** Role of institutional actors, empowerment of small businesses, silk weaving.

### **Introduction**

One of the most favored livelihoods of the people of Wajo Regency is weaving business, which has been carried out by the Wajo people from generations to generations and has become a symbol of local culture as a legacy that is still maintained today. The Cooperative Office data shows that the number of silk industry entrepreneurs in Wajo Regency is currently around 5,000 silk craftsmen or about 48 percent of the population of Wajo who work as silk fabric craftsmen. The term shows very high interest in small micro (silk weaving) businesses.

However, the government has not given maximum attention in managing the industry; this can be seen from the phenomenon of micro business management problems in Wajo Regency. a) Difficulty in getting license because the process is convoluted, the costs are high and also the time needed is quite long. b) The absence of institutions that consistently and consequently provide encouragement and stimulant assistance in supporting the development of silk weaving creative business, such as credit institutions, marketing institutions, information institutions and research and development institutions; c) Commitments from the government, both in the form of legislation and in the form of development programs have not been fully implemented properly in the field, so that the optimal function of the MSME empowerment institutions and business climate problems has not been fully benefited by silk weaving entrepreneurs in Wajo Regency. Based on this, if it refers to the institutional model, it can be seen clearly that institutional actors in this case the MSME policy implementers have not been able to define and classify the interests of the community through budget support and

implementation of concrete actions taken by institutional actors and partnerships support between government and private sector.

Based on the problems mentioned above, it is important to conduct research in the setting of policy institutional actors that include Pillars, Regulative, Cognitive, and Normative, in the structure of MSME policy implementation activities involving various multi actors who have different interests. This study will use a theoretical model from Frederick Scot considering that the phenomena that arise in the field are in line with the direction of the theory of the role of institutional actors. The title of this research is "Model Role of institutional actors in the Implementation of MSME policies in Wajo Regency.

## Literature Review

Analytical Model of Institutions Institutional studies developed by Scott (2001) to examine the role of actors in the implementation of public policy. The suitability of the direction between institutional pillars and institutional spreaders is seen as a potential indicator of the success of the actors (implementation) in implementing a policy.

Regulatory Pillar functions to limit and regulate social behavior. Regulatory processes include rules setting activities, monitoring and imposition of sanctions. Pillar regulative is characterized by laws, rules, regulations, and standard operating procedures aimed at influencing behavior (Scott, 2001: 51-53).

The normative pillar refers to normative rules that introduce prescription, evaluation, and bonds (obligations) of actors in social life. This normative system includes values and norms. Values refer to the conception of what is most liked or desired. Norms specify how things must be done, and legitimate means to realize these values (Scott, 2001: 54-56). Institutional normative pillars are characterized by professional standards, details of responsibilities, and moral obligations. Frederickson et al. (20012: 75) states that the normative pillar in Scott's theory is important for public administration because it corresponds to the values and legitimacy of public services in carrying out the moral order of democracy or the values of the democratic regime.

Cognitive-cultural pillar designates the identity of individuals and groups and the meaning of participant work in a particular environment (Scott, 2001: 56-58). This dimension is important, because what someone does is nothing but a function of their interpretation of the environment. In understanding and explaining an actor's actions, we must consider not only the objective conditions but also the actor's subjective interpretation of the action. The legitimacy of the cultural cognitive pillar in public administration, according to Frederickson et al. (2012: 75), can be traced to political and cultural support. Scott (2001: 77) states that the three institutional pillars, namely regulative, normative, cultural-cognitive are embedded in various types of institutional spreaders. Scott identified four types of institutional spreaders, namely symbolic systems, relational systems, rationality (habits), and artifacts. The symbiotic system includes models, clarifications, representations and logic that are developed to become the foundation in the process of social interaction. The symbiotic system is in the head (memory) of social actors and is a major consideration in conducting social interactions. By basing their interactions on the symbiotic system, social actors can maintain order and social stability (Scott, 2001: 78-79).

The second spreader of institutional pillars is the relational system. This relational system is standardized on the role system. With the intended role system, patterned expectations are associated with social positions. This role system provides boundaries but also strengthens the behavior of social actors. Rules and belief systems are formalized in different positions and roles. This relational order can be held together in many organizations so as to form structural isomorphism (the resemblance of structural forms) in many organizations, or structural equivalence (similarity of relationships between these structural forms). However, the relational order can also take special forms in certain organizations so as to form a unique character structure within the organization.

## Method

This study uses qualitative design. To investigate the role of institutional actors in the implementation of MSMEs, conceptually, the role of institutional actors consists of roles relating to regulative systems, normative systems, and cognitive cultural systems. The roles included include a complex mix of facts and values. the design used in this study is a case study, a case study is a typical design of qualitative research (Creswell, 2003, Yin, 2011). The research locations in Wajo Regency in 14 Sub-Regencies with the target of this research unit were all small entrepreneurs who are members of industrial and trade centers who have business licenses, a minimum business age of 3 years and have cooperated with financial institutions / government and have minimal employees 5 people. Determination of informants in this study was determined purposively, namely those who are considered to have competence in relation to the implementation of small business empowerment policies, such determination is based on the judgment of the expert (or the researcher himself) for a particular purpose or situation (Neuman, 1997), The Informants in this study are as follows: (a). Office of Cooperatives, MSMEs, (b). Office of Industry (c), Banking, (c). State-owned enterprises, (d). Department of Trade and Market Management, (e). And in various centers for small business empowerment. This study will use data collection techniques from three sources, namely: (1) Archives and document programs / activities; (2) Interview with selected informants who certainly know the problem being studied;

## Research Result and Discussion

### Regulative Pillar of MSMEs in Wajo Regency

The processes of the regulative pillar include rules setting activities, monitoring and imposition of sanctions. Pillar regulative is characterized by laws, rules, regulations, and standard operating procedures aimed at influencing the behavior of standard operating procedures (SOPs), as well as the system of power allocation and implementation. (Scott, 2001: 51-53).

In connection with the regulative pillar concept based on the results of the study, it was found that the MSME policy in Wajo Regency was marked by the existence of various rules governing activities on MSME institutions such as Law Number 25 of 1992 concerning Cooperatives, Government Regulation No. 9 of 1995 concerning Implementation of Savings and Loans Activities by Cooperatives, Minister of Cooperatives and Small and Medium Enterprises Regulation of the Republic of Indonesia Number: 10 / Per / M.KUKM / IX / 2015 Concerning Cooperative Institutions, Wajo Regent Regulation Number: 73 of 2016 concerning Position of Organizational Structure , Wajo Regency Strategic Plan for Cooperatives, Micro, Small and Medium Enterprises in 2014 - 2019, Vision of the Wajo Regency Cooperative, Micro, Small and Medium Enterprises in 2014-2019.

The tasks and functions as well as the Work Procedure of the Office of Cooperatives, Small and Medium Enterprises of Wajo Regency are to carry out the affairs of the Regional Government in the Field of Cooperatives and UMK encana Strategic Office of the Cooperative Office of Wajo Regency in 2015-2020. which provides direction and development guidelines for Cooperatives, Micro, Small and Medium Enterprises for the benefit of stakeholders, both elements of government, employers and the community to be more effective, efficient, integrated and sustainable.

The Vision of the Office of Cooperatives, Micro, Small and Medium Enterprises in Wajo Regency in 2014 - 2019 is: "the realization of cooperatives and MSMEs that are resilient, independent, competitive, and based on people's economy and able to become the main drivers of regional economy in improving people's welfare" The formulation of the Vision of the Office of Cooperatives, Micro, Small and Medium Enterprises of the Wajo Regency, can be a motivation for all elements of the service to make it happen, through improving performance in accordance with the main tasks and functions of each.

Based on the results of the study it was found that with the existence of regulative pillars or policies run by the government relating to the empowerment of small businesses in improving the performance of small businesses in Wajo Regency, it can be seen through the results of interviews with the head of Wajo Regency MSMEs Office who said that: The MSME policy issued by the Wajo Regency government has fostered enthusiasm for small entrepreneurs. This can be seen from the creation of improved bureaucratic services, the existence of job opportunities for prospective entrepreneurs to become entrepreneurs, the existence of commitment from the government open opportunities for the community to obtain sources of funding from the government, the creation of clear procedures for entrepreneurship (Interview on 09.09 2018). In Pillar regulative every MSME activity in Wajo Regency has rules that are arranged together and involve various stakeholders in Wajo Regency. The existence of these regulations and policies is intended to be a means to help small and medium entrepreneurs to be able to obtain facilities in entrepreneurship and to give flexibility to entrepreneurs and to be able to increase their creativity and not limit the movement of small entrepreneurs to create innovations in the field, therefore, in addition to having to involve all stakeholders in improving the business sector (MSME) in Wajo Regency, every MSME policy must also be socialized by the government so that every entrepreneur, Banking, and those related to increasing MSMEs can know, understand, obey, every applicable regulation.

The following are the results of interviews with silk businessman H. Kurnia in relation to the implementation of policies in entrepreneurship in Wajo Regency which said that: "In carrying out our business activities we were helped a lot by government policy, one of the government's policies was that the government had cooperated with various private banks and their intended state banks with the existence of these banks so that entrepreneurs could easily obtain business capital" Furthermore, H. Kurnia as a weaving entrepreneur explained that: The public must understand the rules set by the government so that all arrangements can be easily achieved, because there are also many obstacles faced by the community because they do not understand the policies that have been issued by the government, one of the obstacles is that the community is unable to obtain capital or programs from the government. there are those who do not have permission (SITU) so this is one of the factors / obstacles for entrepreneurs to get capital. (Interview, date, October 29, 2018).

Likewise, mentioned by Bapak H. Baji, a weaving entrepreneurs' wage relates to the application of the regulative pillar in Wajo Regency which states: "In the regency issued by the government, because violations of regulations can result in entrepreneurs getting difficulties in entrepreneurship especially getting business capital or assistance programs from the government, while violating businessmen is normal because employers still have business activities for years but have not managed business license", (Interview dated 12, September, 2018).

Based on the results of the interview, it shows that the regulative pillar plays an important role in increasing MSME activities in Wajo Regency, therefore the local government through the Wajo Regency Cooperative and MSME Office always monitors and evaluates, and intervenes in regulative aspects such as giving sanctions for revocation of licenses business for the community or entrepreneurs who violate the rules, and vice versa the government provides facilities or rewards to entrepreneurs who obey the rules such as providing facilities in obtaining capital through program funding from the Office of Cooperatives and MSMEs.

Based on the description of the policy rules in line with the opinion of Scott (2008) who said that the regulative pillar works in the context of rules, monitoring, and sanctions, namely the capacity of the government or institution to enforce the rules and give rewards to the community regulative institution.

#### Normative Pillars of MSMEs

This normative system includes values and norms. Values refer to the conception of what is most liked or desired. Norms specify how things must be done, and legitimate means to realize these values (Scott, 2001: 54-56). Institutional normative pillars are characterized by professional standards,

details of responsibilities, and moral obligations. Frederickson et al. (20012: 75) states that the normative pillar in Scott's theory is important for public administration because it corresponds to the values and legitimacy of public services in carrying out the moral order of democracy or the values of the democratic regime.

In increasing motivation in the activities of Micro, Small and Medium Enterprises in Wajo Regency in 2016 the local government has made 3 policies in the activities of Micro, Small and Medium Enterprises while the policies include (a). Program planning policy, (b). Activities, implementation of program plans, (c). Activities, and results of program plans. In addition, the regional government in this case the Office of Cooperatives, Micro, Small and Medium Enterprises in Wajo Regency in the 2016 Fiscal Year based on the results of research found that in increasing the success of MSMEs the government has also made various work programs such as 11 MSME Programs and 42 Activities in the Micro, Small and Medium Enterprises in Wajo Regency, there are programs that have been well realized and there are still programs that are not realized 100 percent, along with the description of the MSME program in Wajo Regency as follows:

Table 1. Description of the MSME program in Wajo Regency

No	Name of Programs	Indicator	Budget	Output
1	Development of Small and Medium Industries	Development of Small and Medium Industries in strengthening the Industrial Cluster Network	IDR. 32.000.000	Increased management of industrial business management
2	Development of Business Support Systems for Micro, Small and Medium Enterprises	Promotion of Micro, Small and Medium Enterprises products	IDR.59.940.000	Implementation of MSME Participation in Promotional Exhibitions; 2 MSME
3.	Facilitation of Micro, Small and Medium Industry Partnership Cooperation with Private		IDR. 191.115.500	The introduction of new types of technology related to industrial technology to producers
4.	Construction of the UPTD Building / Silk Weaving Laboratory Room and Construction of the Promotion Center / Exhibition Center of the IKM Center		IDR. 82.750.000	Implementation of Construction of UPTD Building / Silk Weaving Laboratory Room and Construction of IKM Center / Promotion Center
5.	Construction of Waste Water Treatment Plant,		IDR. 4.215.000	Implementation of Construction of Waste Water Treatment Plants
6.	Arrangement of the Industrial structure	Development of the Upstream and Downstream of the Silk Industry	IDR. 71.000.000	Increased Production of Silk Fabrics from Non- Weaving Tools Machine

Cont. Table 1.

7.	Quality Improvement of Cooperative Institutions	Coaching, Supervision and Award for Outstanding Cooperatives	IDR. 66.905.000	Increased quality of administration of Cooperative management
8.	Development of Business Support Systems for Micro, Small and Medium Enterprises	Implementation of Promotions for Micro, Small and Medium Enterprises Products	IDR.59.940.000	The participation of MSMEs in Promotional Exhibitions; 2 UKM
9.	Increased Technology Capability of	Operational Rice Processing Complex (RPC)	IDR. 203.846.430	Operation of RPC for 12 months
10.	Arrangement of the Industrial structure	Development of the Lower Hulu Silk Industry	IDR. 68.500.000	Increased Production of Silk Fabrics from Non-Machine Weaving Tools
1 1.	Quality Improvement of Cooperative Institutions	Development, Supervision and Award for Outstanding Cooperatives	IDR. 66.905.000	Increased quality of administration management of Cooperatives

Data taken from Renja Wajo Regency, 2017

Based on the table above, it shows that the government in improving the MSME program has disbursed funds through various programs conducted by various institutions with the aim that MSMEs in Wajo Regency are not enough just to treat rules / laws or increase local regulations, still must be accompanied by strengthening efforts from aspects of activities institutions in business units, especially MSMEs.

In Wajo Regency in 2017 the government has also made various programs as mentioned in the table, while the direction or purpose of the policy program is (a). to realize more coordinative and participatory empowerment of Cooperatives and MSMEs, supported by increasing the role of institutions, the private sector and the community; provide national and regional regulations / policies that support the empowerment of Cooperatives and MSMEs; and can reduce levies that hinder the development of the Cooperative's business. (b), aimed at increasing access to Cooperatives and MSMEs to productive resources, especially related to the range and types of funding sources that are in line with the needs and development of businesses, cooperatives and MSMEs, especially through KUR as an important part of increasing community efforts to reduce poverty. The productive resources in question are also related to improving technology access, market access and marketing for cooperatives and MSMEs. (c) Product development and marketing for Cooperatives and SMEs aimed at developing quality, innovative and creative Cooperative products and MSMEs that compete in both domestic and foreign markets. Increased competitiveness of Cooperative and MSME actors' capability is the very important goal. This policy direction is aimed at increasing the capacity and productivity of Cooperatives and MSMEs, which are supported by entrepreneurs, managers and workers who have high competencies and handicraft entrepreneurs as well as increasing the number of new entrepreneurs supported by the pattern of entrepreneurship development that is implemented. Also implemented is the revitalization of the training education system and cooperative counseling. (d) Strengthening Cooperative institutions. Aimed at the development of cooperative practices that are in accordance with the values, identity, principles and principles of the cooperative as well as increasing the role of cooperatives in facilitating the development of members' businesses and improving the welfare of members.

Thus, even though the government has implemented various programs in increasing MSMEs in Wajo Regency, it cannot be denied that the normative pillars are stronger in an institution, or the better. Because the goals, objectives, ways to achieve them, and the limits and authority of the government and the employers' community are clear, along with the high level of government responsibility for increasing MSMEs it is therefore important for local governments and various stakeholders to carry out proactive rarities to strengthen normative pillars through socialization to the business community (MSME) so that the goals and objectives of increasing the empowerment of MSMEs can be achieved effectively and efficiently. In this case it is very possible that this normative pillar will determine the quality of increasing the empowerment of MSMEs in Wajo Regency.

#### Cultural Pillars of MSMEs

Designate the identity of individuals and groups and the meaning of participant work in a particular environment (Scott, 2001: 56-58). This dimension is important, because what someone does is nothing but a function of their interpretation of the environment. In understanding and explaining an actor's actions, we must consider not only the objective conditions but also the actor's subjective interpretation of the action. The legitimacy of the cultural cognitive pillar in public administration, according to Frederickson et al. (2012: 75), can be traced to political and cultural support. In relation to the cultural variables in MSME activities based on MSME activities in Wajo Regency, it is based on the value, Norma. Belief, which is believed by stakeholders in regulating institutional activities in Wajo Regency, found that there is a cultural pillar in MSME in Wajo Regency.

Value is a characteristic inherent in the entrepreneur's soul. Based on the research it was found that the values possessed by the community and inherent in entrepreneurship and are hereditary values and can be understood in the cultural message *To Wajo (Wajo people)*, namely views related to the tradition of entrepreneurship or trade activities, namely "massiji warang-parang tiji siji balu-balu". It means brothers in terms of ownership of assets but not in terms of selling goods. " In this context, *To Wajo* has realized the importance of separation between assets related to business capital that must be exchanged for money and assets that are not related to capital and business activities. It is also emphasized in the culture of "keeping trade" which is escorted by other messages, "aja' numaelo natunai sekke, naburuki labo". (do not be humiliated by miserly nature and destroyed by extravagance). It is this motivation that makes entrepreneurs in Wajo Regency want to always be high achievers in business, friendly in building business, and willing to master the business they are engaged in with the basis of entrepreneurial motivation. The following are the results of interviews with the community related to value as a motivation in entrepreneurship related to the values or policy beliefs that are believed by the community in entrepreneurship including.

We, the people in Wajo Regency in entrepreneurship have hereditary belief values that are used in carrying out business values such as "Siji Balu-balu massiji warang-parang temma". This means that the brothers in terms of property ownership but not in terms of selling goods, this value we believe in running the business (Interview with M. Ramli Dated September 03, 2018). From the statement, it can be said that the policies of MSME activities in Wajo Regency are related to various abstract problems in determining behavior, this can take the form of values, legal norms, regulations, knowledge related to behavior or a set of mores (behavior) or a good way of acting running in the community, the results of this study relate to the findings of Jones (2004) which states that various organizational norms such as belief, *massiji warang temma siji balu-balu which are the foundation for achieving organizational goals in conducting activities should be the main concern of the organization to improve competitive in order to achieve the policy objectives that have been previously set.* So it can be concluded that the pillar of cultural regulate in institutions in terms of community norm values in entrepreneurship has an important role in achieving performance, community motivation in MSME activities, especially in Wajo Regency.

#### Actor Engagement in Empowering MSMEs

The role of the Wajo Regency government in this case the Office of Cooperatives and MSMEs is the direction and target of the movement in realizing micro, small and medium enterprises for the



silk weaving industry and other businesses. In this case the role of the government is very necessary in fostering micro-enterprises so that they can be formulated to be adjusted to environmental conditions in increasing the income of managers of small businesses in Wajo Regency. One form of Government involvement in this case is the Office of Cooperatives, Small and Medium Enterprises as a facilitator to help find a way out so that MSMEs are able to get the needed funding, but must be done carefully so that the MSME position becomes dependent.

The function of the government as a regulator is to make policies easier for MSME businesses in developing their business. As a regulator, the government functions to maintain a conducive business environment for investing in the business capital requirements of each MSME and make policies on business competition rules. The role of the command which is not as important is as a catalyst, namely to accelerate the growth of development from MSMEs. The role of the government as a facilitator is to facilitate MSMEs to achieve the goals of business development owned by MSMEs. As a facilitator, the government has a role in facilitating MSMEs to achieve the goals of business development owned by MSMEs. If MSMEs have weaknesses in the field of production, the task of the facilitator is to provide the ability of MSMEs in various ways, for example by providing training. Similarly, if MSMEs are weak in terms of funding, the task of the facilitator is to help find a way out so that MSMEs are able to get the funding they need. The role of government in the field of assistance in terms of business management, the government can take policy by inviting universities, corporations or other organizations in the form of business assistance.

The results of the interview above can provide an understanding or information that the government in this case is the Office of Cooperatives and MSMEs (Micro, Small and Medium Enterprises) which is the domain or responsibility of the Cooperative and MSME Office of Wajo Regency and has assumed its duties and responsible role as a companion to MSMEs, but the results are still not optimal. There are still a number of small business actors such as *abon-abon* entrepreneurs who have used assistance in the form of meat milling machines from the Department of Industry that have not been able to develop their businesses to the full, especially in terms of marketing.

Based on the results of an interview with one of the shredded businessmen, Ida Royani, as a businessman of cork fish *abon*, explained that the main obstacle experienced in running his business was a marketing problem. Ida Royani further explained that her business was still limited to marketing, namely in Wajo Regency, Bone Regency, Soppeng Regency, Sidrap Regency. The sale is only limited to the sales in the store they are trying to do. Wajo Regency Cooperative and MSME Office consistently implements mentoring methods that are in line with technical instructions from competent institutions, namely the Cooperative and MSME Office in the area. Some of the causes of the slowness in the development of MSMEs in Wajo Regency are the lack of staff and expertise of assistants from the Wajo Regency Cooperative and MSME Office. So according to the Head of the Cooperatives and MSMEs Office that the assistance strategy still needs to be improved, especially the supporting human resources so that it can reach MSME entrepreneurs with a total of 3,599 people and spread across 14 sub-Regencies and 190 villages / wards in the Wajo Regency administration area.

**Government's Role in the Field of Funding and Capital** In addition to providing assistance the government also programs to provide financial assistance to MSME businesses. The purpose of capital and funding assistance providers is to reconstruct business enterprises to be more productive which in turn can become competitive businesses. To be able to achieve that goal, the existing funds must be distributed precisely on target and must avoid the occurrence of deviations from aid funds. Starting from data collection, assessment, program planning, program implementation, supervision and evaluation is the duty of the government. For this reason coordination and management of aid funds from the government is very necessary.

Capital is one of the main factors in driving business activities, including Micro, Small and Medium Enterprises. It is undeniable that the problem of funding or capital is the obstacle in carrying out business activities in the midst of society. Almost all people when asked why they are not engaged in the business sector, the answer is not having business capital. So as to explain them, if

capital is available, of course, many community members will enter into entrepreneurship. Based on the results of the interview, it was obtained information that the funds which were the main needs to be working capital in running the business turned out not to be sufficiently available, in the absence of sufficient capital and funding it would be difficult to grow the business. Every effort in any field will only grow and develop if the owner has sufficient capital and funding. Moreover, micro, small and medium entrepreneurs all have small capital, therefore their businesses are very limited and difficult to grow (H. Kurnia)

Nationally, the amount of capital for micro, small and medium enterprises is large, but when compared to the number of entrepreneurs who need working capital, the amount of funds is still sufficient. Particularly the capital or funding for micro, small and medium enterprises provided by the Enrekang Regency government is still very limited, so that it is seen from the aspect of capital that it does not support the development of MSMEs in this area. Indeed, the working capital disbursed by the Office of Cooperatives and MSMEs has existed and is truly used in terms of building MSME businesses with all their limitations. MSME entrepreneurs still need additional funds from the Government of Cooperatives and SMEs so that the funds will be given according to the needs of employers.

Facilitators in the Sector of Training in this training field, SMEs are directed to a more professional production process, utilizing high quality resources so that the focus of marketing and production can be achieved easily. Increased human resource skills carried out in this training are aimed at making the focus of production and sales consistent with the products produced. Wajo Regency Cooperatives and MSMEs undertake efforts to increase resources with conducting training as a condition for MSMEs can be fostered by the Office of Cooperatives and SMEs. Training is an important organizational investment in human resources. Training involves all human resources to gain knowledge and learning skills so that they will soon be able to use them in developing their UKM. Basically, training is needed because there is a gap between the skills needed and the skills that are now owned. According to the informant as stated above, the training for MSME actors still needs to be intensified both in terms of time and training material. In general, MSME players have minimal experience and knowledge in MSME management, so they are eager for additional experience managing MSMEs through systematically organized and sustainable training. MSME actors may only be able to develop their business if there is an active involvement of competent technically government agencies and experience of the Cooperative and MSME Office and the Department of Industry and Trade in their own regions.

The role of the government as a regulator is policy makers that relate to fostering and developing MSMEs, where the policy is intended to facilitate MSME businesses, so they can grow and develop easily and quickly. Policy making for Micro business activities is indeed very necessary, given that any type and type of business must have a working basis in the form of policy. Therefore, especially in the Wajo Regency micro enterprise business, the Cooperative and MSME Office has produced policy products to become the basis and guidelines developing micro businesses in this area. As a regulator, the government functions to maintain the condition of the business environment through its policy products in the hope that this policy can create a conducive business environment. The policy that is needed by micro entrepreneurs to make investment easy is to regulate and determine the interest rates for business capital loans as well as policy making regarding business competition rules. The creation of policies related to MSMEs is the domain and responsibility of the government. Besides having obligations and responsibilities in policy making, the government also has commitment with its authority to develop MSMEs.

## **Conclusion**

The role of the government as the catalyst of the development of MSMEs is to accelerate the development process of MSMEs into Fast Moving Enterprise, namely MSMEs that already have entrepreneurial spirit and will transform into big businesses. Like a catalyst the government

sometimes gets involved in the process, but is not involved in regulating the entire process of the change process. Government involvement in the whole process should not be carried out because the involvement of too many government roles in economic activities will cause the economy to become inefficient again because the market cannot move naturally. The role of the government as a catalyst is more likely to convey information comprehensively about a problem that is of concern to both the government and the community. The problem of MSMEs is not only government problems but also community problems. Therefore, the two components of this nation are needed for involvement so that this problem can be resolved faster, easier, and cheaper. The community needs information about various aspects in relation to MSMEs, while the government has adequate competencies, both regarding theory and practice in managing MSMEs. Therefore, as a government that is responsible for the welfare of society, the government naturally has an interest in being an effective and efficient catalyst. The results of interviews with the Heads of Cooperatives and MSMEs explained that the role of government as a catalyst in principle could be considered to have helped Micro, Small and Medium Enterprises in this area, and this was an indication that the government's role as an effective and useful catalyst in developing MSMEs. However, it is also acknowledged that the role of the government as a catalyst still needs to be improved so that MSME entrepreneurs absorb more information about how MSMEs will be in the future.

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