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# ON-LINE BASED MSME GOVERNANCE AS A DEVELOPMENT BREAKTHROUGH DURING THE CO-19 OUTBREAK

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## Abstract

This study aims to examine the strategy for developing online-based small and medium business empowerment in the city of Makassar, South Sulawesi. The on-line-based MSME development strategy is a local government breakthrough during the Co-19 outbreak, by designing governance to capture various opportunities for empowering small and medium-sized businesses online. This study uses a mixed methods research approach that combines or connects quantitative and qualitative forms. This approach involves empirical assumptions, to apply quantitative and qualitative approaches, in integrating them. The importance of implementing on-line-based government strategies by local governments can be carried out: through in-depth studies in research and development of MSMEs, analysis of strengthening the creative economy, expansion of marketing networks, improving production quality, training in technology skills through incubators, ability to adapt quickly to changes, and availability of technological facilities and infrastructure to support MSME programs and activities

**Keywords:** Strategy, Development, Governance, On-Line Based Small and Medium Enterprises

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## Introduction

The main point of sustainable development (Sustainable Development Goals/SDGs) in 2030 is the empowerment of MSMEs to achieve sustainable development goals. Inspired by the publication of the International Council for Small Business (ICSB), the United States released the Top 10 Trends for 2019, the following 10 top issues for Indonesian MSMEs that are the focus of attention and are followed up by multistakeholders from various levels and sectors, by gluing a system of cooperation and synergy between the government, institutions education higher, financial institutions, MSME activists, consultants, business trainers, law enforcement agencies, and companies. The focus point for empowering MSMEs in the SDGs has a clear target, namely on welfare. The inclusion of the MSME variable in sustainable development is a global recognition of the contribution of MSMEs over the last two decades.

The government has prepared various regulations that support the development and empowerment of small and medium enterprises, such as the South Sulawesi Provincial Regulation Number 7 of 2019 which contains various regulations, including fostering an entrepreneurial spirit among the community, especially for cooperatives and small businesses as well as single online delivery here in after referred to as OSS, namely an integrated electronic system in business licensing. Local governments are expected to be able to take advantage of existing opportunities to develop strategies for managing MSME policies based on On-Line in empowering small and medium enterprises in development during the Co-19 pandemic, by making policy strategies to support entrepreneurship development in empowering small and medium enterprises in Makassar City, South Sulawesi. The strategy to support the development of entrepreneurship in empowering small and medium enterprises in Makassar City is to design an integrated governance system by capturing various opportunities for developing MSMEs through online empowerment of small and medium enterprises.

Steps that can be taken by local governments to seize opportunities for developing MSMEs in empowering small and medium enterprises online are to expand the reach of information to the public about the entrepreneurial potential of entrepreneurs to MSMEs, promote micro-economy, to get investors from various parties, both local entrepreneurs, national entrepreneurs and international entrepreneurs. The government should empower the wider community to support, develop and optimize online-based small and medium business activity programs in Makassar City, South Sulawesi. The development of online-based MSMEs aims to empower small and medium-sized businesses so that they can contribute to efforts to increase local revenue, increase and expand job opportunities, and improve the socio-economic level of the community.

## Theoretical Framework

Robert Eyestone, said that "broadly" public policy can be interpreted as "the relationship of a government unit with its environment". Gianttaya emphasized, "policy as tactics and strategies aimed at achieving a goal". The policy contains three elements, namely: (1) identification of the objectives to be achieved, (2) tactics or strategies of various actions to achieve the desired goals, and (3) providing various inputs to enable the actual implementation of policies, policy tactics, or community strategies. . One of the main points of the 2030 Sustainable Development Goals (SDGs) is to focus on the view of empowering MSMEs to achieve sustainable development goals. This mix needs to be embedded in a system of cooperation and synergy to achieve a broader and comprehensive common goal, the system in question consists of the government, universities, financial institutions, MSME activists, consultants, business trainers, law-making institutions, corporations and stakeholders.

## a. The Importance of Management Strategy

The focal point for empowering MSMEs in the SDGs has a clear goal, namely welfare, where the issue of MSMEs has become the main agenda of the Indonesian head of state to connect between regions and develop regional cooperation networks in equitable economic development. Indonesia's MSMEs must continue to be supported to strengthen the basis of community welfare, considering that MSMEs in relation to the SDGs can be a pillar in creating various products and services needed by the community in order to improve their standard of living.

The management strategy is one of the breakthroughs that has an important role in making entrepreneurs more creative and innovative, which allows Indonesian MSMEs to participate in supporting the government's main program to create new jobs to overcome unemployment. The year 2021 is an era where the global economy is expected to rise and grow positively, where the improving global situation is expected to be a positive environment for the emergence of new online-based entrepreneurs in various economic sector activities.

Chandler (Tania, 2014) states that strategy is the setting of long-term goals for the organization, and carrying out a series of actions and the allocation of resources that are important to achieve these goals. As is known, strategy is an action that affects and greatly determines the success of a program or activity, whether planned or not planned by management. Strategy as a form of rational thought that is systematically arranged, and its formation is based on observations in mature experience, observations in the development environment are an important element in the review (social, economic, political, universe, and science), and the observation tactics used by humans and organizations (Mintzberg, 1987). According to Mintzberg who first wrote about 5P Strategy in 1987, each of the 5Ps is a different strategy approach, the concept of strategy includes at least five interrelated meanings, in terms of: a) Planning to further clarify the direction of the organization, take reasons to realize its long-term goals, b) References related to assessing the consistency or inconsistency of behavior and actions taken by the organization, c) The angle of position the organization chooses when presenting its activities, d) Perspective on an integrated vision between the organization and its environment which limits its activities e) Details the organization's tactical steps that contain information to outwit competitors or opponents. Mintzberg (Turban, King, Lee, & Viehland, 2002) identified the notion of strategy with 5Ps, namely Plan, Pattern, Position, Perspective, and Road Map. Salusu, 1996 says "defining strategy as the art of using organizational skills and resources to achieve its goals through effective relationships with the environment in the most favorable conditions".

Strategic management is one of the paradigms of modern management thinking, strategic management in public administration is not a theory but serves as a theoretical instrument in carrying out various approaches in public administration, especially in New Public Management. Because strategic management allows organizations to detect a variety of very dynamic environmental changes. Although in practice strategic management is not only used in public organizations but also in private organizations, in the book Strategic Management by Nicholas S. Majluk and Arnoldo C. Hax, defines strategic management as a way to guide companies to achieve a number of goals. Starting from corporate values and responsibilities, managerial capabilities, administrative systems related to operations and strategic decision making at various levels in the hierarchy. So strategic management is a series of decisions and basic actions made by the highest management that are applied by all members of the organization to realize organizational goals. Top management, other management levels, and operational divisions have their respective roles in carrying out strategic management. All components within the company must participate in formulating, implementing, and controlling decisions that have been mutually agreed upon. As a result, a common goal is achieved, by implementing the following seven strategic management objectives: 1) Providing long-term direction to be achieved by the company; 2) Helping companies adapt to each company; 3) Making the company's performance more effective; 4) Implement and evaluate the agreed strategy effectively and efficiently; 5) Create new strategies to adapt to developments in the external environment; 6) Examine the strengths and weaknesses and see the company's business

opportunities and threats; 7) Innovate in products and services so that consumers always like them.

Jauch and Glueck (Aghaei, Nematbakhsh, & Farsani, 2012) formulate the elements of strategic management as follows: a) Mission and Objectives, are formulations of what the organization will do and the goals it wants to achieve; b) Analysis and Diagnosis, is an activity to determine problems and opportunities and challenges of the external environment as well as internal strengths and weaknesses; c) Selection is an activity to encourage alternative solutions to problems, assess solutions and choose the best; d) Implementation is an activity that makes a strategy work well by creating a structure to support the strategy and developing appropriate plans and policies; e) Evaluation is a feedback activity that determines if a strategy is working well and takes steps to make it work. According to (Saptono & Najah, 2018) strategic management is what managers do to develop organizational strategies. This is an important task that involves all basic management functions - planning, organizing, directing and controlling. According to (Dari, Zainun, & Samosir, 2021) strategic management includes environmental observation, strategy formulation (strategic planning and long-term planning), strategy implementation, and evaluation and control. Strategic management emphasizes observing and evaluating environmental opportunities and threats by looking at the strengths and weaknesses of the company (Wahyudi, Soedarsono, & Anwar) According to Sommer, 2015 (in (Rivito & Mulyani, 2019) changes due to these innovations will have an impact on the manufacturing industry, service and service sectors, as well as government policies. Meanwhile, strategic management is very important in the implementation of development. Because in strategic management there is a main part, according to Hunger and Wheelen (Aghaei et al., 2012; Ahmad, Sos, & Astinah Adnan, 2014) stating that the process in strategic management consists of four basic elements, namely:

- a. Environmental scanning, consisting of complete activities in environmental analysis, namely the external environment and internal environment through a SWOT analysis (Strengths, Weaknesses, Opportunities and Treatments)
- b. Formulation of strategy by making measurable long-term plans, to make management effective in taking advantage of opportunities and challenges associated with the formulation of organizational strengths and weaknesses. Strategy formulation consists of activities to formulate mission, objectives, strategies and policies.
- c. Strategy implementation is the process of implementing the unity of thought in strategy and policies into concrete actions in the management role, by making programs, budgets and procedures.
- d. Evaluation and Control is the suitability of the process that relates the ideal performance with the actual performance applied.

Strategic management ideally has a strategic management process guided by a deep and complete understanding of the market, external environment and competition. The following are three processes of implementing strategic management in business: at the formulation stage, at the implementation stage, and at the evaluation stage.

## **b. Development Governance**

Governance in development is very important to match planning, implementation, monitoring and evaluation. There are five creative MSME development strategies to seize market opportunities, namely: 1) People look for sources of funds and download requests for assistance in building facilities and infrastructure first; 2) Establish and build a business group; 3) MSME development management strategy for business network development, marketing and partnerships; 4) Increasing the competence of human resources; 5) Optimizing product diversity and promotion in the MSME development strategy.

According to (Yuhua & Bayhaqi, 2013; Yulianto, 2020)), added value can be created in the following ways: a) Development of new technology (develop new technology); b) discovery of new knowledge; c) Improvement of existing products (goods and services); d) Finding different

ways to provide more goods and services with fewer resources (finding different ways to provide more goods and services with fewer resources). Although some experts emphasize entrepreneurship in the role of small entrepreneurs, in fact the entrepreneurial character is also owned by people who work outside of entrepreneurship. Entrepreneurial character exists in everyone who likes change, renewal, progress and challenges, whatever the profession. In this case, (K. Nur, 2020; Olla, Gana, & Kerih; Osborne & Ball, 2010) put forward 10 principles to produce high quality public goods and services, namely: a) Steering than rowing (the government is better as a driver than rowing); b) Empowering communities to solve their own problems, not just providing services (empowering Micro Enterprises to solve problems rather than providing services); c) Promote and encourage competition rather than monopoly (creating competition in each service); d) Driven by mission rather than rules (Emphasis on mission over rules); e) Funding oriented to results rather than outputs (Orientation to good performance is not just about achieving outputs); f) Meeting customer needs, not bureaucratic needs (Prioritizing meeting the needs of micro-enterprises, not the needs of bureaucrats); g) Concentration on earning money rather than just spending it (Cost savings in each program implementation are not spent); h) Invest in preventing problems rather than treating crises (prevention is better than cure); i) Decentralizing authority instead of building a hierarchy (requires decentralization of authority rather than building a hierarchy); j) Solving problems by influencing market power rather than treating public programs (government should pay attention to market demand, supply should be adjusted to market needs).

### Method

The research location is the South Sulawesi Cooperatives and UMKM Service, and various online-based entrepreneurial locations in Makassar City. The type of research used in this study is a mixed method. This research is a mixed methods research approach that combines or relates qualitative and quantitative forms, this approach involves philosophical assumptions, qualitative and quantitative application approaches, and mixes them. The first stage of research was carried out by quantitative methods and the second stage was carried out by qualitative methods, quantitative methods played a role in obtaining quantitative measurable data that were descriptive, comparative, and associative. Then the qualitative method plays a role in proving, deepening, expanding, weakening and invalidating quantitative data that has been obtained at an early stage (Parnell, Lester, Long, & Köseoglu, 2012; Rivito & Mulyani, 2019; Saptono & Najah, 2018). The focus of the research results is to concentrate on centralizing research objectives by collecting data so that there is no bias towards the data taken, namely: MSME development strategies, entrepreneurship in empowering small and medium enterprises, and potential entrepreneurship development strategies in online-based MSME empowerment in Makassar City. Government policy in developing entrepreneurship in on-line-based MSME empowerment. The method or procedure for achieving these goals requires a strategy related to program steps and activities carried out by local governments to support entrepreneurship development, and making prototypes that are used as references in development that can empower MSMEs in South Sulawesi. According to Lofland (Mintzberg, 1987; A. C. Nur, Aslinda, Guntur, & Didin, 2021), the data source is obtained through 2 data, namely primary data regarding the on-line-based MSME development strategy in South Sulawesi, and secondary data relating to the mapping of entrepreneurship areas and local capabilities as the basis for developing MSMEs in Makassar City South Sulawesi.

## Results

The national urban system in South Sulawesi includes: National Activity Center, namely the Mamminasata Urban Area which covers the entire area of Makassar City, and Takalar District as well as parts of Gowa and Maros Regencies with a national function centers of growth and centers of international service orientation as well as prime movers in Eastern Indonesia. Regional Activity Centers in South Sulawesi Province include the Urban Areas of Pangkajene, Jeneponto, Palopo, Watampone, Bulukumba, Barru and Parepare which function to support the role of the Mamminasata Urban Area by performing functions as a center for financial services,

processing and distribution of goods, nodes and transportation centers provincial scale public services.

The national spatial development strategy is aimed at improving the quality and coverage of transportation, telecommunications, energy and water resources infrastructure services that are integrated and evenly distributed throughout the national territory. As an effort to realize the national regional development strategy, South Sulawesi as part of the island of Sulawesi has a role as a national food store, a center for marine economic development and a center for mineral and geothermal mining supported by the existence of primary sources arterial road network, primary collector road network, expressway network constraints, the plan to build a railroad network between cities in Sulawesi Island and a network of crossings between provinces within the Sulawesi Island region. The transportation network in South Sulawesi Province is also supported by a sea transportation network, an energy network to support the regional development of South Sulawesi Province, including the construction of a fuel/natural gas depot and a gas and oil pipeline, as well as a reliable energy network system. Development of telecommunications networks in South Sulawesi in the form of terrestrial networks, and development of analog and digital micro networks.

Areas that have the potential to be directed as mining commodity development include the development of metal mineral mining areas in the form of gold, iron, iron sand, chromite, nickel and copper, which are directed at Luwu, East Luwu, North Luwu, Takalar districts, Jeneponto, Barru, and Toraja. North, the development of rock commodity mining areas in the form of andesite, basalt and marble is directed to Pangkep, Bone, Sinjai, Maros and Gowa Regencies, development of coal mineral commodity mining areas in North Toraja Regency, and oil and gas development commodity mining areas are directed to 8 blocks of oil and gas mining areas, namely; Block West Segeri, Bone block, block Sidrap, Block Enrekang, North Bone block, block Kambuno, Block Karaengta and block Selayar.

The development of provincial strategic areas in terms of utilization of natural resources and high technology in the form of oil and gas development areas and power plant centers is directed by increasing support for availability and reliability and coverage regional infrastructure through increasing road capacity, providing infrastructure networks and means of transportation improve the quality and coverage of water resources management, and increase the availability of energy infrastructure so that South Sulawesi can function as a network node by increasing regional competitiveness.

Based on the potential of natural resources in the form of agricultural and mining commodities as well as the geographic location of South Sulawesi Province, as well as considering the equal distribution of welfare between regions and between layers of society, the policy for developing industrial estates is directed at the development of large-scale industrial estates as well as the development of small and medium industries that are directed to grow and developing as a small and medium industrial agglomeration area in production centers oriented towards the development of people's industries as local communities. The development of large-scale industrial estates is directed at national activity centers as well as regional activity centers supported by the availability of supporting infrastructure in Makassar and Pare-pare cities, East Luwu Regency, Pangkepene, Maros and Gowa Islands. Meanwhile, the development of small and medium industrial agglomeration areas is directed at Palopo City, Luwu Regency, Enrekang, Sidrap , Pinrang, Barru, Bone, Bulukumba, Bantaeng and Jeneponto. The trade zone development policy is directed at growth and development integrated with the development of local industrial estates in production centers throughout South Sulawesi Province.

The number of MSMEs Non BPR/LKM has increased in the last five years, in 2020 the number of MSMEs was 820,324 and in 2021 it increased to 901,563, or increased by 99,616 (12 percent). Total MSMEs Non BPR/LKM South Sulawesi Province 2019-2020, the following:

NO	Deskription	Year				
		2016	2017	2018	2019	2020
1	Total MSMEs	824.417	860.163	894.163	914.902	916.232
2	Amount BPR/LKM	22	22	22	22	22
3	Amount MSMEs Non BPR/LKM	820.324	856.909	889.396	900.263	901.563

No	Ditric/ City	Year				
		2016	2017	2018	2019	2020
4	Pare-Pare City					
	Total MSMEs	14.158	14.752	15.221	15.489	15.515
	Amount BPR/LKM	-	-	-	-	-
	Amount MSMEs non BPR	14.087	14.678	15.144	15.241	15.437
5	Pinrang Distric					
	Total MSMEs	29.946	31.248	31.899	32.346	32.367
	Amount MSMEs non-BPR	-	-	-	-	-
	non BPR	29.796	31.091	31.729	32.828	32.205
6	Sidrap Distric					
	Amount MSMEs non BPR	26.535	27.689	28.269	28.677	28.952
	Amount BPR/LKM	-	-	-	-	-
	Amount MSMEs non BPR	26.402	27.550	28.127	28.218	28.807
7	Wajo Distric					
	Total MSMEs	54.337	56.724	57.885	58.709	58.742
	Amount BPR/LKM	1	1	1	1	1

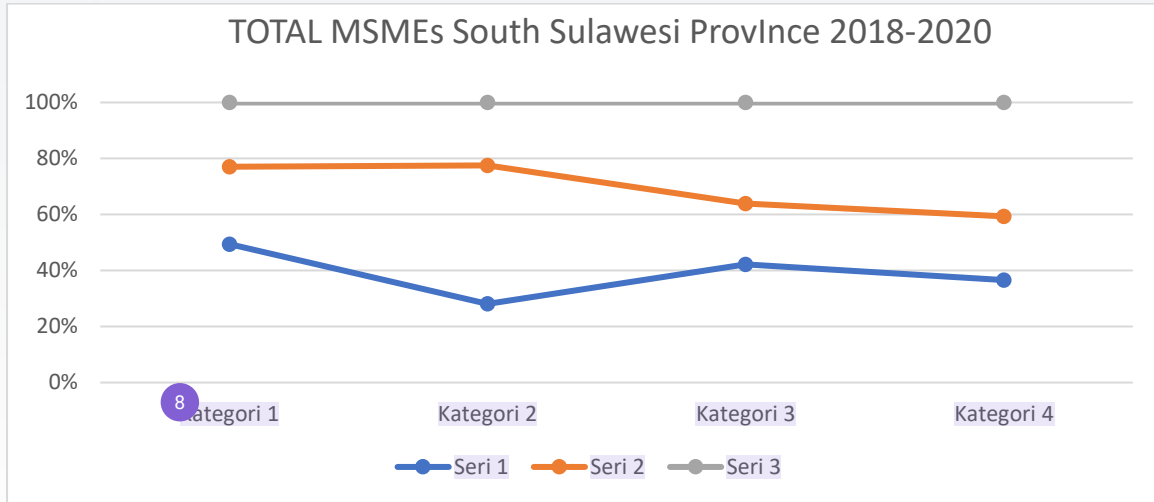


	Amount non BPR	MSMEs	54.0 65	56.440	57,595	57.769	58.448
8	Soppeng District						
	Total MSMEs		26.1 47	27.283	27.855	28.255	28.262
	Amount BPR/LKM		-	-	-	-	-
	Amount MSMEs non BPR		26.0 16	27.148	27.715	27.802	28.120
9	Luwu District						
	Total MSMEs		29.5 43	30.832	31.475	31.920	31.936
	Amount BPR/LKM		-	-	-	-	-
	Amount MSMEs non BPR		29.3 95	30.677	31.317	31.409	31.776
10	Kota Palopo						
	Total MSMEs		12.8 51	13.383	13.811	14.029	14.076
	Amount BPR/LKM						
	Amount MSMEs non BPR		12.7 86	13.316	13.471	13.804	14.005
11	Luwu Utara District						
	Total MSMEs		22.5 69	23.543	24.040	24.364	24.390
	Amount BPR/LKM		1	1	1	1	1
	Amount MSMEs non BPR		22.4 56	23.425	23.919	23.974	24.268
12	Luwu Timur District						
	Total MSMEs		18.5 32	19.324	19.737	19.992	20.022
	Amount BPR/LKM		1	1	1	1	1
	Amount MSMEs non BPR		18.4 39	19.227	19.638	19.672	19.921
13	Tana Toraja District						
	Total MSMEs		19.9 62	14.298	14.754	14.940	14.964

	Amount BPR/LKM	1	1	1	1	1
	Amount MSMEs non BPR	19.862	14.226	14.680	14.700	14.889
14	Toraja Utara District					
	Total MSMEs	14.323	21.459	22.130	22.450	22.461
	Amount BPR/LKM					
	Amount UMKM non BPR	14.251	21.351	22.019	22.337	22.348
15	Bone District					
	Total MSMEs	77.889	81.325	85.418	87.372	87.372
	Amount BPR/LKM	3	3	3	3	3
	Amount MSMEs non BPR	77.499	80.918	84.990	86.879	86.935
16	Sinjai District					
	Total MSMEs	23.205	24.211	24.479	24.699	24.714
	Total MSMEs- BPR/LKM	-	-	-	-	-
	Amount MSMEs non BPR	23.088	24.089	24.356	24.328	24.590
17	Bulukumba Distric					
	Total MSMEs	41.090	42.871	44.184	44.752	44.836
	Amount BPR/LKM	-	-	-	-	-
	Amount non BPR	40.884	42.656	43.963	44.528	44.611
18	Bantaeng Distric					
	Total MSMEs	21.356	22.281	22.753	23.073	23.083
	Amount BPR/LKM	-	-	-	-	-
	Amount non BPR	21.249	22.169	22.639	22.957	22.967
19	Selayar District					

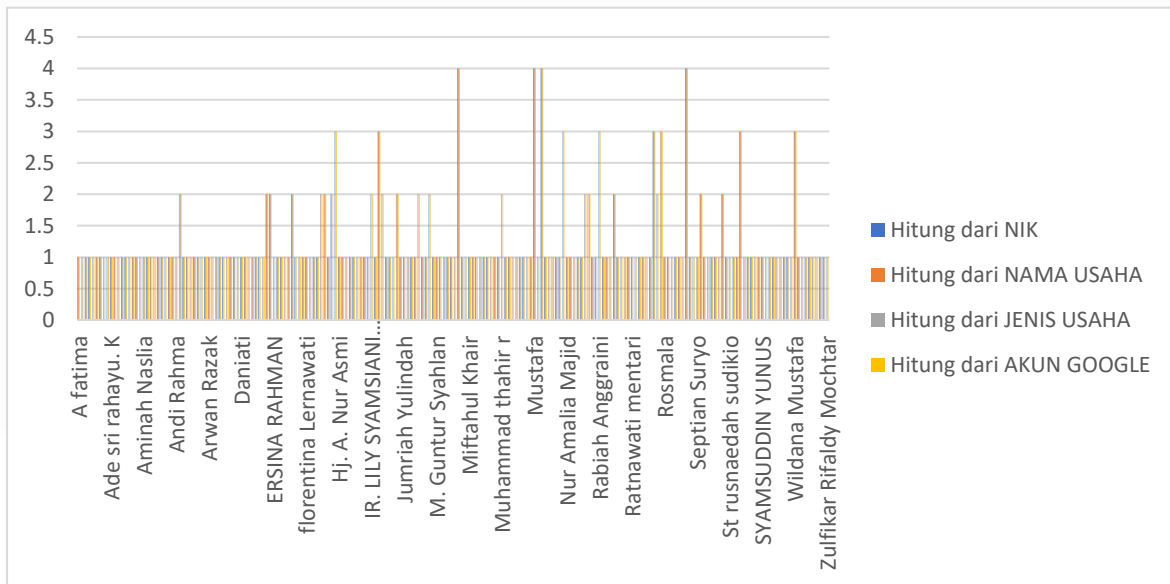
	Total MSMEs	14.2 15	14.822	15.145	15.354	15.361
	Amount BPR/LKM	1	1	1	1	1
20	Total Amount non BPR	14.1 43	14.747	15.069	15.277	15.284
	Jeneponto Distric					
	Total MSMEs	35.6 75	37.238	38.009	38.550	38.568
	Amount BPR/LKM	-	-	-	-	-
21	Amount MSMEs non BPR	35..4 96	37.051	37.818	38.357	38.375
	Takalar District					
	Total MSMEs	34.4 20	35.922	36.667	37.177	37.206
	Amount BPR/LKM	2	2	2	2	2
22	Amount MSMEs non BPR	34.2 47	35.742	36.483	37.991	37.019
	Enrekang Distcit					
	Total MSMEs	16.9 77	17.706	18.087	18.336	18.347
	Amount BPR/LKM	-	-	-	-	-
23	Amount MSMEs non BPR	16.8 92	17.617	17.996	18.244	18.255
	Gowa Distric					
	Total MSMEs	74.3 27	77.613	79.971	81.127	81.157
	Jumlah BPR/LKM	3	3	3	3	3
24	Amount MSMEs non BPR	73.9 55	77.224	79.568	80.721	80.751
	Makassar City					
	Total MSMEs	141. 421	147.482	162.259	172.632	172.632
	Amount BPR/LKM	5	5	5	5	5
	Amount MSMEs non BPR	140. 712	146.744	161.447	169.210	171.768

Table 2. Number MSMEs Non BPR/LKM Provenci South Sulawesi Year 2020 ,  
 Final Report of UNM Postgraduate PNPB Research, Strategy of Development Policy in  
 Empowering Online-Based MSMEs in South Sulawesi, (p.104), by Andi Cudai Nur 2020, LP2M UNM:  
 Makassar



Total MSMEs South Sulawesi Province 2018-2020

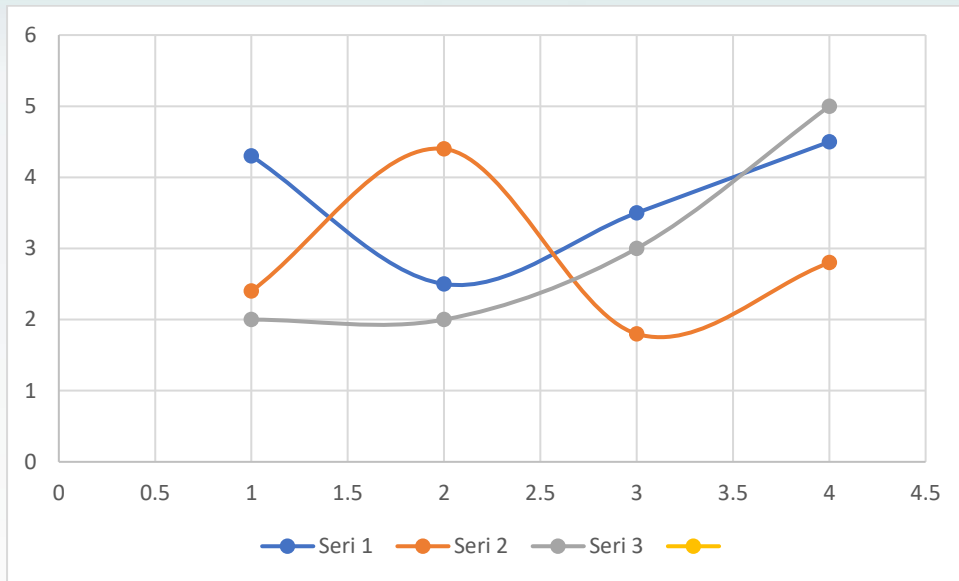
Source: Department of Cooperatives and MSME Province South Sulawesi 2020



Number of Micro and Small Enterprises

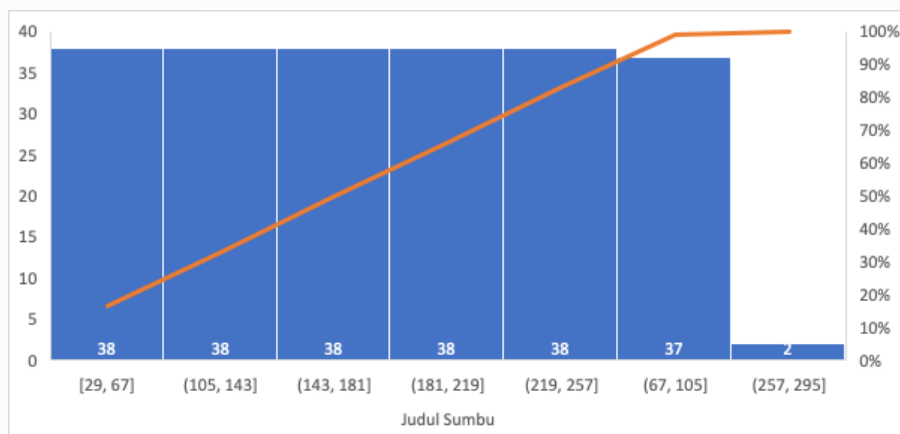
Source: Department of Cooperatives and MSME Province South Sulawesi 2020

The percentage of the number of micro and small businesses from year to year has increased, in 2018 the percentage of micro and small businesses was 99.47 percent and in 2019 it increased to 99.48 percent.



The Percentage Of The Number Of Micro And Small Businesses

Source: Department of Cooperatives and MSME Province South Sulawesi 2020



### MSMEs Based Online

#### Province South Sulawesi Year 2020

Source: Department of Cooperatives and MSME Province South Sulawesi 2020

The table above shows the number of small-and medium in which the majority of SMEs are air there is in the city of Makassar, the data that underlie this research was conducted in the city of Makassar. The increase in MSMEs every year in Makassar, South Sulawesi is increasing, this is also influenced by the number of national scale investors who have increased quite significantly from 2009 to 2020, namely an increase of 500 percent. The increase in investors cannot be separated from the support of several local government policies that provide various facilities and cooperation for investors. Furthermore, how the government makes a policy strategy to support entrepreneurship development in empowering small and medium enterprises in Makassar City, South Sulawesi, here are the strategies that the government has prepared to support entrepreneurship development in empowering small and medium enterprises in Makassar

City, South Sulawesi. The government has a strategic role in making important policies that are at least able to break down the factors that are challenging for MSMEs, namely taking advantage of profits through cooperation with these multinational companies (Vasta & Gullickson, 1995; Yuhua & Bayhaqi, 2013; Yulianto, 2020). First, MSMEs need to improve their technical and operational capabilities to achieve global standards for multinational companies. In this regard, MSMEs need to have adequate access to capital to be able to invest in the production process. The next challenge lies in human resources.

The steps taken by the local government in seizing entrepreneurial opportunities in empowering small and medium enterprises from the central government, in an effort to increase regional revenue, are several strategies that need to be carried out by the South Sulawesi Government, especially Makassar City, including: 1) Adjustment of regulations as the legal basis for collection and strengthening of collection management; 2) Strengthen human and institutional resources for collector taxes and levies; 3) Exploring the potential for new revenue in accordance with the authorities and laws and regulations, especially outside local taxes and levies; 4) Increase transparency and accountability of regional revenue management by utilizing information technology-based information systems; 5) Encouraging the formation of a system of regional revenue payments that go directly to banks/financial institutions; 6) Improve coordination, cooperation and support among SKPDs related to regional revenue management; 7) Improve evaluation, monitoring and supervision of regional revenue management; 8) Increase the participation and role of third parties in providing regional development costs; 9) Particularly for regional taxes, the improvement of tax management is carried out by: (a) increasing the intensity and effectiveness of tax arrears collection; (b) increasing ease of tax payment through: Increasing the capacity of the *on-line* tax payment system, Mobile Samsat, increasing the effectiveness of the *drive thru*, simplifying the tax payment system and procedures; (c) improve local tax information and communication; (d) increasing the effectiveness of coordination and transparency among agencies related to regional taxation services; (e) building a tax payment system through *electronic payment (e-payment)* and gradually eliminating the *face-to-face* tax payment system with the *tax authorities*.

Establishment of local tax PPNS and local tax bailiffs. Some of the conditions that directly affect regional income are economic growth, increased purchasing power of the community, regulations, a conducive business climate, security and socio-political stability, and local government policies. Based on projections of original regional revenues, expenditures, mandatory/binding financing expenditures and main priorities as well as non-binding expenditures, it can be projected that the real regional financial capacity to finance programs / activities for the next five years (2013-2018) in the Regional Medium Term Plan South Sulawesi Province. The South Sulawesi Provincial Government Expenditure Budget is maximally utilized for the benefit of the community, especially the poor who are less fortunate (Pro-Poor Planning, Budgeting, and Monitoring), accelerating the development of centers of economic growth, as the main driver of growth, in each region islands, particularly in economic corridors, by exploring the potential and advantages of the region, creating quality jobs (decent work) and improving environmental quality (environment). To fill in the gaps in the regional development plan document during the transition to regional leadership, the preparation of the 2019 RKPDP refers to the policy direction and main long-term development targets for 2005-2025 which have been stipulated by Regional Regulations. The potential of Micro, Small and Medium Enterprises (MSMEs), especially micro businesses in Makassar City, is quite large, supported by the abundant natural resources owned by Makassar City and has contributed significantly to the economy of the people in Makassar City. However, at the same time it cannot be denied that the condition of MSMEs in Makassar City is still weak in various aspects of business, including aspects of human resource capacity, facilities and infrastructure, capital and from a marketing perspective. Therefore, the Makassar City Government through the relevant Regional Government Work Units, especially the Cooperatives and MSMEs Office, continues to make efforts to develop and empower MSMEs. Given the large entrepreneurial potential that can be

developed in Makassar City, among others, in the fields of economy, retail, advertising, communication, fisheries, tourism, industry and trade as well as investment in the energy sector. With these various potentials, the opportunities for developing MSMEs in Makassar City are very strategic. The strategic position of Makassar City is a gateway to entry into Eastern Indonesia and other regions, so that MSMEs must improve themselves in increasing their competitiveness, especially by implementing free trade in the ASEAN Economic Community (AEC) since 2015. For this reason, MSME business development need to be formulated and can be a recommendation for the government and other stakeholders in making policies on empowering MSMEs in Makassar City. Specifically for regional regulations, the South Sulawesi Provincial Government through the South Sulawesi Cooperative and the MSME Office held a socialization of Regional Regulation Number 7 of 2019 concerning Empowerment of Cooperatives and Small Businesses, 28-29 November 2019 at The Norsyah Villa, Selayar Regency by the Head Cooperative and MSME South Sulawesi, Abd. Malik Faisal with the participants of the Head of Service in charge of Cooperatives and SMEs throughout South Sulawesi, and consultants Plut, while socialization in Selayar an activity to 3 after socializing in the town of Pare-Pare and Makassar, then there will be further outreach activities in the city of Palopo.

The Deputy for Draft Law of the Ministry of Cooperatives and Small Business and the Deputy for Human Resources of the Ministry of Cooperatives highly appreciate the presence of the local regulation on the Empowerment of Cooperatives and Small Businesses in each province. This is because the Regional Regulation on the Empowerment of Cooperatives and Small Businesses is a form of the government's commitment to protect and build the competitiveness of Cooperatives and SMEs. Cooperatives and SMEs have an important role and significance as well as a strategic position in supporting the economic resilience of the community and also as a vehicle for job creation. Malik Faisal said the local regulation on the Empowerment of Cooperatives and Small and Medium Enterprises that had been drafted over the past three years became the legal basis for the empowerment program for Cooperatives and Small and Medium Enterprises in South Sulawesi, so that in the midst of global competition. The Co-19 outbreak, cooperatives and SMEs can continue to develop, exist, and survive which in turn can increase their business (Source: <http://sulselpedia.com/dihadiri-deputi-menkop-diskop-ukm-sulsel-Socialization-Regulation-Empowerment-cooperative-and-small-business/>). One of the objectives of local regulations is to provide protection for cooperatives and SMEs in the face of big competitors. MSMEs must be controlled by regulation, if they cannot be destroyed by large monopolies, both from large cooperatives and other large companies, there are several points contained in the regulation, one of which is limiting the monopoly of the franchise market, and embracing MSMEs. Modern retailers must provide a special space for MSME products, and MSME products are not only available in traditional markets, but also in modern retail.

The Office of Cooperatives and SMEs of Makassar City, South Sulawesi Province has facilitated as many as 7,002 <sup>12</sup> Small and Medium Enterprises and Micro, Small and Medium Enterprises players to get bank loan assistance to encourage economic growth in the midst of the Coronavirus Outbreak (Covid-19). The Office of Cooperatives and MSMEs have been facilitated by sending data to SMEs and MSMEs actors at the provincial and ministerial levels, sending data to MSMEs players has been done at the level of the Ministry of Cooperatives and SMEs after going through the Economic Bureau of the South Sulawesi Provincial Government, the Office of Cooperatives and MSME South Sulawesi in importing the Credit Information System Program. The number of credit loan applications varies according to the type of business run by MSMEs and SMEs, but from the number of loan applications, of course not all can receive them, because they will still be re-selected.

Lending varies, depending on the demands of the and MSME players who are given how much. There is also a budget ceiling for micro businesses of at least Rp. 25 million and below, " at the beginning of the pandemic Cooperative Office and MSME Makassar helped MSMEs by selling masks since April in a number of SKPDs such as the Health Office, Banking, Social Service,

NGOs, and organizations engaged in the field during the pandemic, many MSME players have shifted their efforts to become mask craftsmen, and culinary, making herbal concoctions that can protect immunity. "The Office of Cooperatives and SMEs of Makassar City and MSMEs Makassar have been facilitated by trying to enter MSMEs data to the Directorate General of the Ministry of Finance and OJK can get revolving financial assistance, both People's Business Credit (KUR) and UMI (Ultra Micro ). Regarding the handling of economists from SMEs in the short term during a pandemic, herbal medicine is indeed designed to increase immunity, such as herbal medicine, fresh drinks and fruit juices contains vitamins, including selling food online or online .

The number of Micro, Small and Medium Enterprises (MSMEs) in South Sulawesi has increased by about 3% year so that they can play a bigger role in driving a people-based economy. To support its growth and improvement, a series of training steps were carried out so that various aspects of assistance were carried out on an ongoing basis to encourage the growth of MSMEs in the regions, various mentoring and training for MSMEs were also carried out as the first steps in the stages of a series of encouragement for business actors in the MSMEs segment to make it more attractive. The emphasis on providing facilitation in various aspects, such as involving MSME players in exhibitions to helping with product marketing, has also been rolled out by the South Sulawesi Government so that regional MSMEs can build a wider marketing network to encourage the quantity aspect, by working on it so that these MSMEs can sharpen its business line with digital technology-based sales. The role of MSME actors in the real sector has contributed significantly to the economic structure of South Sulawesi, which is consistently above the national average. According to data from the Central Statistics Agency, South Sulawesi's economic growth last year reached 7.23. This condition occurs in all business fields. The highest growth was achieved by the accommodation sector and the provision of food and beverages with an increase of 11.66%. Followed by the wholesale and retail trade sector as well as the auto and motorcycle repair sector with an increase of 10.74%.

The results show that the potential for online-based MSME entrepreneurs is quite potential to be developed, so that people can be encouraged to have an optimal willingness to carry out and improve MSME activities in Makassar City, South Sulawesi. Entering the 4.0 era, it is as if micro, small and medium enterprises (MSMEs) are required to develop energy through the use of digital platforms. This is a challenge for MSME players in Makassar City, who in general are still in 10% of the MSME classification segment ecosystem that is new to using technology to support their business activities. Limited resources to support digital-based development are one of the obstacles. This includes aspects of capital, infrastructure and facilities, quality fulfillment, promotion and improvement of competitive product quality. This challenge is a joint task of the government, business world and society to find solutions in breaking through the global economy in the midst of the world economic crisis.

Micro, Small and Medium Enterprises are required to develop competitiveness through the use of digital platforms, by using an on-line system in conducting various buying and selling transactions, utilizing technology to support various business activities, and utilizing industrial network expansion. in marketing their business results. Since the COVID-19 outbreak occurred, it has had a significant impact, namely an increase in the number of online-based MSMEs, from around 200 to 500. These MSME actors are also now mostly carried out by the younger generation and young entrepreneurs, because this young entrepreneur likes to work online. The government has a strategic role in making important policies that are at least able to break down the factors that are challenging for MSMEs, namely taking advantage of profits through cooperation with these multinational companies (Parnell et al., 2012; Rivito & Mulyani, 2019; Saptono & Najah, 2018; Yuhua & Bayhaqi, 2013). First, MSMEs need to improve their technical and operational capabilities to achieve global standards for multinational companies. In this regard, MSMEs need to have adequate access to capital to be able to invest in the production process. The next challenge lies in human resources.

According to (Cudai Nur, Akib, Niswaty, Aslinda, & Zaenal, 2019; Dari et al., 2021; Dhewanto, Lestari, Herliana, & Kania, 2020; Gandasari & Dwidienawati, 2020) Aoun (2017), to obtain competitive human resources in industry 4.0, the educational curriculum must be designed so that the output is able to master new literacy, namely: a) Data literacy, namely the ability to read,



analyze, and utilize large data information in the digital world; b) Technological literacy, namely understanding how machines work, applying technology (coding, artificial intelligence and engineering principles; c) Human literacy, humanities, communication and design. The McKinsey (Gandasari & Dwidienawati, 2020; Hasim, Handayani, & Rumere, 2021; Hirschi & Läge, 2007; Khuluq, 2014) estimates that "50% of field jobs have the potential to be automated by adapting to new technologies. Although less than 5% of jobs can be fully automated, 60% can be self-employed, 30% or more technically their activities can be self-employed automatic, as a breakthrough in developing and advancing regional income through various policies that provide protection and opportunities for the wider community to advance the business world by empowering online-based small and medium enterprises.

## Conclusion

The Makassar City Government needs to encourage the community and the business world to have optimal willingness to run and increase On-Line-based MSME activities in Makassar City, South Sulawesi. Opportunities, the government can optimize policy strategies by making operational standards of regional regulations that are more applicable, designing governance models that are in accordance with the conditions and culture of the community for the development and promotion of entrepreneurship in online-based MSME empowerment. Implementing on-line-based governance strategies through research, development, strengthening analysis, network expansion, technological skills improvement, training, and the development of an entrepreneurial spirit. Furthermore, the challenge for the sustainability of the organization's life cycle is to support the development and improvement of online-based MSME empowerment, as well as create a roadmap in capturing various entrepreneurship programs in local, regional and global organizations. Community empowerment in on-line-based MSMEs needs to be adapted to an integrated government system in decentralization, prepare legal protection, seek various sources of funding both domestically and from abroad, develop adaptation values, build partnership and cooperation networks, improve production quality, expanding global relationships and interactions in marketing, workshops to improve technology skills, and instilling cultural values in professional business leadership.

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