

Model Development Strategy Implementation Micro in Wajo in the Perspective of Public Policy

Muhammad Guntur^{1*}, Andi Cudai Nur², Aslinda³

¹*Department of State Administration, Faculty of Social Science and Law, Universitas Negeri Makassar*

²*Department of State Administration, Faculty of Social Science and Law, Universitas Negeri Makassar*

³*Department of Public Administration, Faculty of Social Science and Law, Universitas Negeri Makassar*

*Corresponding author. Email: m.guntur@unm.ac.id

ABSTRACT

This study aimed to describe the profile of service and performance and implementation strategy for empowerment in improving the competitiveness of small businesses in Cooperatives and SME Wajo focused on sectors of industry and commerce. This study uses primary data and secondary data. The analytical method used is descriptive qualitative approach, identifying with regard to the various problems faced by SMEs, particularly micro-enterprises and analyzed using SWOT analysis. Furthermore, formulate a model of strategies to overcome them. The population of respondents includes all micro-businesses that have obtained assistance from the Department of Cooperatives and SMEs Wajo using purposive sampling method, Based on internal and external analysis, the results of this study indicate that the main strategy is the strategy of Growth, namely the Department of Cooperatives and SMEs Wajo harness the full power of SMEs in improving service and performance to maintain the quality, productivity, human resource development, marketing and technology entering this new era of global competition

Keywords: *Empowerment Strategy, Micro, Competitive, Services and Policies.*

1. INTRODUCTION

The existence of micro enterprises an integral part of the national business world have accrued, potential and strategic role in achieving national development goals. Given its role in development, micro-enterprise should be developed with the family spirit as the backbone of the national economy which largely Indonesian people live and depend on the micro business sector. Therefore, the government is obliged to direct, guide, protect and foster small and medium business climate so that the entrepreneurial spirit of the people can be encouraged and motivated to carry out their business activities [1] [2].

Besides a role in economic growth and employment also play a role in the distribution of development outcomes. In the economic crisis that occurred in our country since some time ago, namely in 1998 many large-scale efforts that has stagnated and even stop the activity, the micro business sector proved more resilient in the face of the crisis. Even in the United States are said to be among the developed countries of the economy consists largely of micro-enterprises, although survive and development of micro enterprises in the United States due to the good policies through anti-monopoly law against big business and economic freedoms maintenance of administrative arrangements for micro businesses [3]

The seriousness of the government in developing micro-enterprises have been realized in the form of a clear legal basis and firm [4]. The legal basis for establishing micro enterprises started from the substance of the Act of 1945 as well as various other Act, government regulations, presidential decrees and Ministerial Decree of the Minister of Cooperatives and SMEs in particular. In the Decree of the President who was born an Act regulating SMEs that Act No. 9 of 1995 which is the foundation and guidance to empower micro businesses to grow and develop into a strong and independent businesses. Then the government changed the law MSME namely Law No. 20 of 2008.

Sustainability empowerment of micro businesses is dependent upon the responsiveness of local governments in implementing the programs of activities related to empowerment of SMEs. However, efforts to achieve these expectations by [5] in his research explained that micro and small are often still encountered problems due to conflicts of interest among the stake-holders in the region, due to the prioritization of development in areas that are less pro-business empowerment micro.

During this time, micro-enterprise as a business entity that scales weak and underdeveloped and only accept programs that merely programming are no efforts to increase the independence and maturity to think the micro

business Another problem that often menimpah program micro businesses is that local governments often consider that the micro-enterprise development and empowerment will only siphon funds and does not generate additional revenue as well as major industrial sectors that pay taxes and levies are relatively higher, [5]

Results of other studies indicate that the micro-enterprises in the field of small industries face problems in three ways, namely; 1) problems associated with productivity and technology, 2) issues related to marketing, 3) problems associated with funding. Although the government has issued a package of various policies and programs to improve the productivity and competitiveness of small uaha, began the creation of a climate conducive to the absorption of the technology of micro-enterprises [6].

The problems that arise are: SME development strategy in the field of marketing, partnership, competitiveness and permodalaan or financing not optimal; the low quality of human resources of SMEs. Efforts have been made Jakarta Cooperative, Micro, Small and Medium Wajo, namely: (1) improving institutional quality, competitiveness and independence of SMEs; (2) Strengthening the competitiveness of the industry; (3) Improve the development of SMEs and abroad as well as trade security; and (4) Achieve a reasonable financial accountability, accuracy and implementation of optimal performance. But the reality is not felt by SMEs, particularly micro and small businesses.

2. METHOD

This study uses qualitative descriptive method approach, namely to identify the services and performance profile relating Cooperatives and SMEs Wajo and analyze the various problems faced by SMEs by using SWOT analysis then formulate a model of empowerment implementation strategy of SMEs, particularly micro-enterprises in Wajo.

This study took place in the District Tempe, District Tanasitolo, and the District Sabbangparu with the consideration that the three districts are populated more micro-entrepreneurs be compared to other districts, making it possible to perform more in-depth study will be widely available for comparison and data obtained. Other requirements were used as a reference in determining the informants in this study are micro-businesses that have been recorded and has received assistance from the Department of Cooperatives and SMEs in Wajo. The Population and sample in this study is specifically SMEs are micro enterprises in Wajo. The sampling of respondents using purposive sampling method. Samples were selected based on certain considerations, while consideration is taken, according to a specific purpose [7]. SMEs sample criteria used are as follows:

1. Having asset Rp 50 million to Rp 10 billion.
2. Having maximum turnover 50 M per year.
3. 1- has a workforce of 10 people.

4. Good home based businesses processing industry, agriculture, and fisheries.
5. Listed as inmates who receive assistance at the Department of Cooperatives and SMEs Wajo.
6. Obtaining venture capital assistance from financial institutions

The type of data that will be collected through the study include: Types of research: a) Primary data is a source of research data obtained directly from the original sources (informants); b) Secondary data information in the form of documents about the development of SMEs in Wajo from various sources. Sources of Data By using the appropriate personal considerations to the topic of the study, researchers chose a subject / object as a unit of analysis. Researchers chose the analysis unit based on the needs and considers that the analysis unit representative [8].

Data Collection Techniques Data collection techniques in this study using the method: a). Observation (observation): Observation is the data collection techniques used by researchers with regard to human behavior, work processes, phenomena of nature and when serponden observed is not too large. While the observation made is a type of non-participant observation that the researcher not involved directly and only independent observer; b) Interview: Interview is a technique of data collection is done by a dialog to obtain information from interviewees. Interview used by investigators to obtain information directly from informant; c) Questionnaire by using questionnaires, analysts attempt to measure what was found in the interview, and also to determine how broad or limited the sentiment expressed in an interview [9].

Data Analysis Model: This study aims to formulate a model of SMEs development strategy based on competitiveness. The analytical tool used in this research is descriptive analysis and SWOT analysis. Descriptive analysis is used to process the data collected in the form of primary and secondary data. This analysis aims to identify the problems and issues faced by SMEs, particularly micro-enterprises. Analysis using frequency tabulation assistance.

SWOT Analysis is a strategic planning method is used to evaluate the strengths, weaknesses, opportunities, and threats of a company [10]. SWOT analysis is useful to analyze the factors in the organization that contributes to the quality of service or one of its components while considering external factors. Thus, strategic planners (strategic planner) should analyze the organization strategic factors (strengths, weaknesses, opportunities and threats) in the conditions that exist today. 1) Strengths (Strengths): characteristics of the business, or projects that benefit more than others; 2) Weaknesses / Limitations (Weaknesses): are the characteristics that put the business / project at a disadvantage compared to others; 3) Opportunities (Opportunities): external opportunities to improve performance (egg, make a greater profit) in the neighborhood; 4) Threats (Threats): external elements in the

environment that can cause problems for a business or project.

3. RESULTS AND DISCUSSION

3.1 The general picture of service profile Department of Cooperatives and SMEs District. Wajo

Department of Cooperatives, Small and Intermediate Kabupaten Wajo established by decree No. 73 of 2016 concerning Position Organizational Structure, Duties and Functions Details and Working Procedure of Department of Cooperatives, Small and Medium Enterprises Wajo. Department of Cooperatives, Small and Wajo Intermediate Kabupaten implementing elements of local autonomy is led by a Head of Department who is under and responsible to the Head of the Region through the Regional Secretary, in the affairs of the Cooperative, Micro, Small and Medium Enterprises. Department of Cooperatives, Small and Wajo Intermediate Kabupaten authority has the tasks of regional autonomy in the area of Cooperatives, Micro, Small and Medium Enterprises.

3.2 Service Performance Department of Cooperatives, Small and Medium Enterprises Wajo

Service Performance Department of Cooperatives, Small and Medium Enterprises Wajo accordance with Duty and function is to assist the Head of Region, especially in the field of public services Cooperative Development and SMEs.

The provision of services implemented by the Department of Cooperatives, Micro, Small and Medium Wajo to society basically gives satisfaction and certainty for services provided. In this case the Department of Cooperatives, Micro, Small and Medium Wajo actions and measures as well as mensikapi response and public expectations with regard to SMEs including through;

1. Socialization of Law Number 20 Year 2008 on Micro, Small and Medium Enterprises;
2. Facilitation of financing and revolving fund program both working capital nature and form of business strengthening program means business cooperatives and SMEs;
3. Implementation of the Technical Education and Skills Training and Management for SMs;
4. Engaging Cooperatives and SMEs on various occasions exhibition / sale both local and national levels;

5. Development patterns of partnerships;
6. Supervision and monitoring of the development of MSME business activities;
7. Empowerment Program Socialization capital structure and strengthening cooperative business cooperative business (form means business) which is programmed by the respective Deputy Minister of Cooperatives and SMEs RI;
8. Monitoring and evaluation of the use of funds are revolving and help business facilities cooperatives and SMEs, good nature stimulation program (bansos) from the central government (Ministry of Cooperatives and SMEs RI) and nature revolving fund of the Local Government (APBD II) and of Revolving Fund Management Institution (LPDB) KUMKM RI.
9. Conduct an inventory (Asset) Infrastructures owned cooperatives and SMEs.

3.3 Model Implementation Strategy for SME Empowerment In Wajo

Micro Business in Indonesia is very different from the micro-enterprises in developed countries, which in developed countries microenterprise is a source of innovation in production and technology, the growth of entrepreneurship creative and innovative, creating a skilled workforce and the flexibility in the production process for the face rapid changes in market demand, increasingly diverse and increasingly specific segmentation. Whereas micro-enterprises in Indonesia are largely family-oriented businesses, which are still very limited on the quality of human resources is still relatively education at the primary school to secondary school and mastery of technology is very limited. They use traditional technologies are mostly in engineering itself. Access to information about markets and technology are minimal, especially with the use of a complete computer system with internet. Whereas all these factors are necessary to improve product quality, efficiency and flexibility in the production process.

3.4 Existence Analysis of Micro In Wajo

3.4.1. Power

- 1 Durability, very strong motivation to maintain the continuity of the business, because the business is the only source of family income, so it is adaktif in the face of the changing situation in the business environment. Also supported by the business logic Wajo people who for generations has made his choice in the business into a going concern. Apart from that, Wajo has been known as a city of trade since ancient

times until now, so that people have become accustomed in running the business.

- 2 Special skills (traditional), MICRO more make simple products which on the one hand requires special skills and does not necessarily require a formal education, usually owned for generations, and most products have a technological content and categories of simple and inexpensive. This type of product, nuanced culture, such as handicrafts woven silk, which is basically a special expertise of each region.
- 3 Capital, relying on money (savings) alone or loans from informal sources for working capital and investment needs and loans from formal financial institutions such as cooperatives and banks.

3.4.2. *Weakness*

1. Capital constraints, particularly for working capital to finance their business activities.
2. Marketing, information on changes and market opportunities, promotions, not maximized in mastering the marketing strategy.
3. The product packaging is still sebahagian use packaging that are lebelisasi.
4. The use of technology is still very limited, so that the productivity has not been able to meet the needs of the larger, so the environment is limited to the surrounding area.
5. Knowledge of one line of business are still very terbtas management and fierce competition in the marketing activitie.

3.4.3. *Challenge*

1. Rapid technological development, had to make adjustments in all areas relating to technological changes, it is crucial to strengthen human resources.
2. Competition becomes more free, is able to cope / adjust their business with all the changes taking place in the business world.

3.4.4. *Chance*

1. Due to the crisis, increased unemployment, greater export opportunities.
2. Autonomous regions, need to institute local economy as local economic developers.

In performing its duties the government in this case is the Department of Cooperatives and SMEs Wajo to microentrepreneurs is a government agency that shelter. In line with the duties and functions outlined in the medium-term work plans that promote the growth of SMEs and

develop handicraft products of SMEs together with businesses, issuing business licenses and foster new entrepreneurs in the field of entrepreneurs-in industry and trade [11].

The empowerment of SMEs in Wajo still facing obstacles, namely the problems of low capital, lack of qualified human resources, and product marketing factor is still a problem to be solved. Based on the results of SWOT analysis (Strength, Weakness, Opportunity, and Treaths), it can be seen that the results of the formulation on the strategy of development of SMEs, especially micro-enterprises in Wajo has great opportunities for development within the organization in good condition now and in the future, so it is possible to continues to expand, expand growth, and achieve maximum progress. Therefore, the right strategy in the empowerment of SMEs, especially micro-enterprises is SO strategy (Strength and Opportunity). The problems that arise in the development of the MSE M in Kabupaen Wajo can be solved by using Strategy WO where this strategy is applied based on the utilization of existing opportunities by minimizing weaknesses and WT strategy by focusing on general economic conditions form the basis of forward planning for Wajo MSME development.

Strategy should the Micro ahead. There are at least three major factors that need attention, namely;*first*, How to strengthen internal factors Micro, which has become a constraint the development of the performance of Micro; second, how the role of the Government in addressing the external constraints arising from the impact of globalization, and the third, the efforts the Government needs to be done in improving the dynamic development of the Micro. Therefore, government policies that lead to a market driven policy to support a conducive business climate is an arena of preparation for Micro Facing the Free Market [12].

Authorized Develop Micro Enterprises face the free market is to create a conducive business climate, strengthen the competitiveness of Micro, with increased access to quality non-financial services and increase access to financial services Micro Enterprises. In the short term the development of Micro should diarah product development efforts that have special characteristics (niche product) to fill the market. strengthen the competitiveness of Micro, with increased access to quality non-financial services and increase access to financial services Micro Enterprises. In the short.

Another step that needs to be done is to identify market opportunities through the development of network marketing, such as through the method of market penetration, market expansion, product development and diversification. Selection of this method is of course to be adapted to the competitive advantage of the product MICRO. For businesses including MICRO mencemati free market from two sides of the opportunities and challenges. Increasing competitiveness reached by synergizing the government's role as manager of the bureaucracy with MICRO role as business manager [13].

Increasing competitiveness associated with the high cost or in the context of efficiency, the role of government for example to simplify the permitting both costs and requirements and type, promotion because it is difficult to do by MICRO because it requires a high cost, look for the region MICRO specialized in selling products MICRO as a global tourist destination as well as facilitate partnerships with mutually beneficial format.

One of them is considered quite successful in many countries and should receive government support is a pattern of sub-contract [14] [15]. Subcontract good pattern will be a positive impact in improving the efficiency of both macro national efficiency, as well as micro-efficiency of the company; strengthening the national economic structure and realize economic democracy. Some of the issues that need attention in the development of subcontracting patterns that the business climate; empowerment subcontractors (Micro), the feasibility of the transaction and associated subcontracts.

In terms of product superiority, then in the face of the global market, Micro, which is likely to penetrate the export market is engaged in the plantation subsector, fisheries, particularly marine fisheries, as well as the processing industry and small industry. In the last four years the value of exports.

4. CONCLUSION

Department of Cooperatives, Small and Medium Wajo, describing the performance achieved in the form of the performance of activities and performance targets, as well as performance analysis that reflects the successes and failures in public services.

Based on internal and external analysis of SMEs Wajo can be concluded that the main strategy is the strategy of Growth, namely SMEs Wajo harness the full power of SMEs in maintaining the quality of raw materials, the legality / permit of products included in the qualifications, prices remain competitive and do human resource development in SMEs in Kcamatan Wajo. For SMEs Wajo in order to maintain the stabilization of fine effort from the use of raw materials, marketing, labor to government bureaucracy, improve the internal management minimizing the barriers externally and internally that they interfere with the operations of SMEs in Wajo by providing facilities and infrastructure as a complementary equipment production.

The success of empowerment in Wajo not be separated from the role of government in this regard is the service and performance of Cooperatives and SMEs Wajo and stakeholders that show the seriousness of the conduct guidance and assistance to micro-entrepreneurs, necessitating the carrying capacity of more comprehensive, particularly in terms of capital, marketing, and use of information technology and production, as well as the government and relevant institutions in order to provide flexibility in the development of SME in Wajo district such as the provision of training, infrastructure, and the provision of information for the development of SMEs.

AUTHORS' CONTRIBUTIONS

1. Muhammad Guntur as the head of the research implementer is responsible for coordination and research ideas and Corresponding author
2. Andi Cudai Nur as a member I, acted as the initial problem analysis at the research site and helping data analysis and finalizing article manuscripts
3. Aslindah as member II acts as a data collector in the field and writing report.

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