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Empowerment of Micro Small Medium Enterprises in Urban Economic Growth in Makassar

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ABSTRACT

Micro, small, and medium enterprises (MSMEs) are one of the main pillars of the national economy, with an independent perspective and great potential to improve welfare. This study aims to determine the form of empowerment that is carried out to MSMEs as an effort to improve the welfare of business owners in Makassar City, as well as the response of business owners related to the empowerment program that has been carried out by the local government, especially through the Cooperatives and MSMEs Service in Makassar. The population in this study is all business owners in Makassar, both those who have participated in empowerment programs from the government and those who have never participated in these programs. The sample in this study was 60 business people selected by purposive sampling by considering several criteria, both the type of business and the background of the business owner, so that the respondents in this study could be heterogeneous. In addition, interviews were conducted with academics. Research instruments are in the form of questionnaires and interview guidelines. The data were analyzed descriptively and qualitatively. The results showed that: 1) empowerment programs desired by business owners tended to lead to improvements in the quality of business products; and 2) empowerment programs focused on product marketing training. 2) Recommendations related to the results of research, namely: a) Every empowerment program to be carried out by the government should be prepared based on an analysis of the needs of the beneficiaries, in this case, business owners. b) Empowerment programs carried out by the government should be directed at improving the quality of business products, providing training in marketing products, or providing containers to business people to market their business products. c) The program held should be able to socialize well and evenly with all business owners. This can be achieved whenever information from the government is easily accessed by all businesses.



INTRODUCTION

Micro, small, and medium enterprises (MSMEs) are one of the main pillars of the national economy, with a self-reliance perspective that has great potential to improve welfare. The role of MSMEs, especially since the 1997 monetary crisis, can be seen as a savior medium in the process of national economic recovery. In supporting MSME activities, the government provides support through policies that are expected to provide injections to MSMEs so that they do not stop in the middle of the road. According to the Central Bureau of Statistics (BPS), in 2009, the number of microenterprises reached 52.2 million, or around 98.87%. The existence of MSMEs has contributed significantly to the employment of more than 96.2 million people. Another advantage of MSMEs is their high level of flexibility relative to their competitors. Berry et al. (2001) see this group of businesses as particularly important in unstable industries or economies facing rapidly changing market conditions.

MSMEs are proven to contribute to improving the economy in Indonesia. The national economy in Indonesia shows that MSME activities are consistent and capable of growing. The facts show that the employment opportunities created by the MSME group are far greater than the labor that can be absorbed by large businesses. Apart from being one of the alternatives for providing new jobs, MSMEs play a good role in encouraging economic growth and as a poverty alleviation and employment program. MSMEs are a form of small community business whose establishment is based on a person's initiative. Most people assume that MSMEs only use certain parties.

In fact, MSMEs are very instrumental in reducing the unemployment rate in Indonesia. MSMEs can absorb a lot of labor that is still unemployed; besides that, they also utilize various potential natural resources in an area that have not been commercially processed (Budi, 2011). MSMEs are the spearhead and savior of the country's economy because their potential makes the largest and most significant contribution to the Gross Domestic Product (GDP) in terms of employment.

The criteria for micro, small, and medium enterprises (MSMEs), according to Law Number 20 of 2008, are classified based on the amount of assets and turnover owned by a business. According to the Source of the Ministry of Cooperatives and MSMEs in 2013-2015, MSMEs are still the majority actors in the business sector, from 54,114,821 business units in 2013 to 56,534,592 business units in 2015. Meanwhile, the large business sector only reached around 3,262,023 workers in 2015. Makassar City is the capital of South Sulawesi Province, which can be said to have a large number of MSMEs. For more details, see Table 1 regarding data on the number of MSMEs per sub-district in Makassar City.

Table 1: Number of MSMEs in Makassar City in 2022

No	District	Number of MSMEs
1	Mariso	517
2	Mamajang	81
4	Makassar	149
5	Ujung Pandang	364
6	Wajo	25
7	Bontoala	381
8	Ujung Tanah	8
9	Tallo	82
10	Panakukkang	176
11	Biringkanaya	63
12	Tamalanrea	25
13	Rapoccini	408



14	Manggala	323
15	Sangkarrang	5
Totally		2683

Source: Makassar City Office of Cooperatives and MSMEs (2022)

The increase in the number of MSMEs in Makassar city cannot be separated from the role of the government in developing the potential of existing MSMEs. Rahmat (2021) stated that one of them in Makassar is the Makassar City Trade Office, which has a role to develop the potential of MSMEs and become a bridge to market the products of its members so that they are able to compete with other countries' products by participating in coaching prepared by the agency for free. The number of MSMEs in Makassar City engaged in the creative industry has always recorded high growth in recent years. However, the contribution of this segment is still relatively small to the structure of the Makassar economy.

Over the years, the informal sector has become a massive trend in our society. MSMEs have an important role in advancing the regional economy. Efforts to grow MSMEs are at least based on three reasons. 1) MSMEs aim to absorb labor; 2) income distribution; and 3) poverty alleviation. Of course, the challenges faced by MSMEs to strengthen the structure of the national economy are quite heavy. Therefore, the need to empower MSMEs is more directed at improving the long process of small entrepreneurs becoming medium entrepreneurs and microentrepreneurs becoming small businesses. If it is realized that the development of small and medium enterprises faces several obstacles in terms of skills, expertise, human resource management, marketing information, and financial records, for this reason, MSME actors must be ready to improve economic sectors based on independence so that they are ready to compete in the Asean Economic Community (AEC).

Microenterprises are classified as marginal businesses due to their use of relatively simple technology, low levels of capital, low access to credit, and tendency to be oriented towards local markets. Therefore, the right strategy must always be sought to empower MSMEs so that the welfare of the community is increasingly lifted. Various strategic roles are played by the MSME sector, but this sector is also faced with various problems. In its implementation, it was found that related problems experienced by MSMEs include (1) lack of capital, (2) difficulties in marketing, (3) intense business competition, (4) difficulties in raw materials, (5) lack of technical production expertise, (6) lack of business managerial skills and the quality of human resources managing them, (7) lack of financial management, and (8) a business climate (licensing, laws, and regulations) that is not conducive to the development of MSMEs. Other constraints and problems for small and informal businesses are also caused by difficult access to information and productive resources such as capital and technology, which results in the limited ability of small businesses to develop (Kurniawan and Fauziah, 2014).

MSMEs need to be directed to improve the ability of small entrepreneurs to become medium entrepreneurs and microentrepreneurs to become small businesses. However, MSME challenges still occur, such as constraints on capabilities, skills, expertise, human resource management, marketing information, and financial records. The policy taken by the government is to empower MSMEs, which includes increasing access to sources of financing, developing entrepreneurship, increasing the market for MSME products, and implementing bureaucratic reform.

Based on the above background, the formulation of research objectives in accordance with the formulation of the problem above is as follows: 1) To find out the forms of empowerment that can be given to MSME actors as an effort to improve the welfare of business actors in Makassar City. 2) To find out the response of business actors regarding the empowerment program that has been carried out by the local government.



LITERATURE REVIEW MSMEs (MICRO, SMALL, AND MEDIUM ENTERPRISES)

MSMEs in the Indonesian economy are the largest group of businesses and have proven to be resistant to various shocks of the economic crisis. The criteria for businesses included in micro, small, and medium enterprises have been regulated under the legal umbrella. Based on Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises (MSMEs), there are several criteria used to define the meaning and criteria of micro, small, and medium enterprises.

The Central Bureau of Statistics (BPS) defines MSMEs based on the quantity of labor. A small business is a business entity with a workforce of 5 to 19 people, while a medium-sized business is a business entity with a workforce of 20 to 99 people. Based on the Decree of the Minister of Finance Number 316/KMK.016/1994 dated June 27, 1994, a small business is defined as an individual or business entity that has been conducting activities or businesses that have an annual sales/omset of up to Rp 600,000,000 or assets/assets of up to Rp 600,000,000 (excluding occupied land and buildings) consisting of: (1) business entities (Fa, CV, PT, and cooperatives) and (2) individuals (craftsmen/household industries, farmers, breeders, fishermen, forest encroachers, miners, traders of goods and services) (Rahmana, 2008).

According to the Ministry of State Cooperatives and Small and Medium Enterprises (Menegkop and MSMEs), what is meant by small enterprises (SE), including micro enterprises (UMI), is a business entity that has a net worth of at most Rp 200,000,000, excluding land and buildings of the place of business, and has annual sales of at most Rp 1,000,000,000. Meanwhile, medium enterprises (UM) are business entities owned by Indonesian citizens that have a net worth of more than IDR 200,000,000 to IDR 10,000,000,000, excluding land and buildings (Rahmana, 2008).

In Chapter II, Article 5 of Law No. 20 of 2008 concerning Micro, Small, and Medium Enterprises (MSMEs), the purpose of empowering micro, small, and medium enterprises is: 1) realizing a balanced, developed, and equitable national economic structure; 2) growing and developing the ability of micro, small, and medium enterprises to become resilient and independent businesses. 3) Increase the role of micro, small, and medium enterprises in regional development, job creation, income distribution, economic growth, and the alleviation of poverty.

Criteria for Micro, Small, and Medium Enterprises (MSMEs)

According to Law No. 20/2008, the criteria for micro, small, and medium enterprises (MSMEs) are classified based on the amount of assets and turnover owned by a business. Table 2 shows the criteria for MSMEs.

Table 2. MSME criteria

No	Business	Asset Criteria	Turnover Criteria
1	Mic Business	Maks. 50 million	Maks. 300 million
2	Small business	> 500 million – 500 million	> 300 million – 2,5 billion
3	Medium Business	>500 million – 10 Billion	> 2,5 Billion – 50 Billion



Criteria for Small and Medium Enterprises Based on Development, apart from being based on the law, from the point of view of its development, Rahmana (2008) categorizes MSMEs in several criteria, namely: 1) Livelihood activities, which are small and medium enterprises that are used as employment opportunities to earn a living, are more commonly known as the informal sector. An example is street vendors. 2) microenterprise, which is a small or medium enterprise that has the characteristics of a craftsman but does not yet have entrepreneurial characteristics; 3) Small Dynamic Enterprise, which is a small and medium enterprise that has an entrepreneurial spirit and is able to accept sub-contracting and export work; 4) Fast Moving Enterprise, which is a small and medium enterprise that has an entrepreneurial spirit and will transform into a large business.

MSME Empowerment

Mahidin (2006) suggests that empowerment can be interpreted as an effort to improve the ability of a person or group so that they are able to carry out their duties and authorities as the performance of these duties demands. Empowerment is a process that can be carried out through various efforts, such as giving authority, increasing participation, and giving trust, so that each person or group can understand what they will do, which in turn will have implications for increasing the achievement of goals effectively and efficiently.

The concept of empowerment aims at empowering the economic and social fields, with the intention that the target group can manage its business, then market and form a relatively stable marketing cycle and so that the target group can carry out its social functions again in accordance with its social roles and duties. Community empowerment is the basic element that allows a society to survive and, in a dynamic sense, develop itself and achieve progress. Community empowerment itself is the source of what is referred to in political insight as national resilience. This means that if the community has high economic capacity, then it is part of national economic resilience (Rukminto, 2008).

In order to empower MSMEs in Indonesia, Bank Indonesia (2011) developed the Five Finger philosophy. Each finger has its own role, cannot stand alone, and will be stronger if used together.

1. Thumb finger, representing the role of financial institutions that play a role in financial intermediation, especially to provide loans and financing to micro, small, and medium customers and as agents of development.
2. The index finger represents regulators, namely the government and Bank Indonesia, which play a role in regulating the real and fiscal sectors, issuing business licenses, and certifying land so that it can be used by MSMEs as collateral, creating a conducive climate, and as a source of financing.
3. The middle finger represents catalysts whose role is to support banking and MSMEs, including Promoting Enterprise Access to Credit (PEAC) Units and credit guarantee companies.
4. Ring finger, representing facilitators whose role is to assist MSMEs, especially micro enterprises, in obtaining bank financing, assisting banks in credit monitoring, and consulting on MSME development.
5. The little finger represents MSMEs as business owners, taxpayers, and laborers.

The coming together of micro, small, and medium enterprises (MSMEs) and commercial banks is one of the many forms of symbiotic mutualism in the economy. This togetherness is not only beneficial for both, but also for the community and the government. The community enjoys the availability of employment, and the government enjoys economic performance in the form of rising gross domestic product (GDP), which accounts for more than half of Indonesia's GDP. However, such cooperation still needs to adhere to the precautionary principle to ensure the realization of benefits for both parties.



RESEARCH ROADMAP

This research was conducted based on the research road map in Table 3 below.

Table 3. Research Road Map

No	Research Title	YEARS
1	Comparison of SAW and TOPSIS Methods in the case of MSMEs	2016
2	<i>The difficulties faced by micro and small enterprises in the formal market access: The case in small and micro enterprises in the cities of Makassar and Kabupaten Gowa south Sulawesi</i>	2016
3	Potential Development of Natural Uncertainty Financing Products Contract (NUC) in Islamic Banks for the MSMEs Real Sector.	2016
4	<i>Effect of characteristics and entrepreneurial orientation towards entrepreneurship competence and crafts and arts smes business performance in Makassar</i>	2017
5	Effectiveness of Accounting Implementation in MSMEs in Makassar City. Accountability	2017
6	<i>The Implementation of Micro, Small, and Medium Enterprises (MSMES) Policy in Makassar Based On Bromley Mode</i>	2018
7	The Effect of Working Period on Employee Professionalism at Cooperative and MSMES Office of South Sulawesi Province	2018
8	Implementation of Sak-Etap in MSME Warkop in Makassar City	2018

In general, research on MSMEs in Makassar City has been widely studied by previous researchers. However, research that uses a qualitative approach to obtain in-depth information about the form of MSME empowerment as an effort to improve welfare in Makassar City has not been studied by many previous researchers.

RESEARCH METHODS

Population, Sample, and Research Location

This research is survey research. The population in this study are all business actors in Makassar city, both those who have participated in empowerment programs from the government and those who have never participated in these programs. The sample in this study was 60 business actors selected by purposive sampling by considering several criteria, both the type of business and the background of the business owner, so that the respondents in this study could be heterogeneous. The research location is focused within the scope of Makassar City.



Research Instruments

There are two types of instruments used in this study, namely instruments in the form of scales that aim to determine the responses of business actors in the form of quantitative data. This instrument was given to 60 business actors who were research respondents. The second instrument is in the form of an interview guide that produces qualitative data that functions as supporting data for quantitative data. The interview process was conducted with several business actors, local government parties, and academics.

Data Analysis Technique

There are two types of data analysis techniques used: quantitative data is analyzed using a descriptive statistical approach. While qualitative data is analyzed using a qualitative descriptive approach, After the data is obtained by the data collection method mentioned, it needs to be checked regarding the validity of the data so that it can be known that the data obtained is indeed feasible and reliable to be used as research data. According to Moleong (2005), there are four criteria for checking the validity of this data, which can be done by triangulating sources, triangulating methods, triangulating the honesty of researchers, and triangulating with theory, utilizing other sources of data outside the data in question to be used as a comparison. In this study, the most appropriate data validity checking technique used was source triangulation, with the method used being 1) comparing interview data with the relevant documents. 2) comparing the results of observations from researchers with the opinions of others, even though the object of study is the same.

RESEARCH RESULTS AND DISCUSSION

Characteristics of Research Respondents

The following are the characteristics of the business actors who are respondents in this study in terms of several categories, as shown in Table 4.

Table 4: Type of Respondent's Business Research

Type of Business	Frequency	Persentase (%)
Food	20	33,33
Courses	7	11,67
Clothing	12	20
Handicrafts	3	5
and others (printing, selling perfume,	18	30
TOTALLY	60	100%

Table 4 shows that the research respondents have different types of business backgrounds, be it in the culinary business, educational fields such as courses, clothing, handicrafts, or several other types of businesses. The data above shows that most of the respondents come from the culinary business type. The characteristics of respondents based on the length of business establishment can be seen in Table 5.

**Table 5. Length of Establishment**

Age	Frequency	Percentage
0-3 years	14	23,33
4-6 years	24	40
7-10 years	10	16,67
>10 years	12	20
TOTALLY	60	100%

Table 5 shows that most respondents' MSME businesses are only 4-6 years old. These businesses can be said to be relatively young compared to businesses in other categories. The characteristics of respondents based on net income earned can be seen in Table 6.

Table 6: Net Income Every Month

Net Income	Frequency	Percentage (%)
< Rp 5 Jt	14	23,33
Rp 6 Jt -10 Jt	21	35
Rp 11 Jt -15 Jt	16	26,67
Rp 16 Jt -20 Jt	3	5
> Rp 20 Jt	6	10
TOTALLY	60	100%

There are 5 types of net income categories obtained by business actors in this study, ranging from 0-5 million to the category above 20 million in each month. Table 6 shows that there are 21 MSMEs with a percentage of 35% having a net monthly income of around 6-10 million, and only in business units with a percentage of 10% that have revenues above \$20 million per month.

Table 7. Business Actors by Business Level

Net Income	Frequency	Percentage (%)
Micro	54	90
Small	6	10
Medium	0	0
TOTALLY	60	100%

Based on Table 7, it can be concluded that most of the respondents in this study are micro-scale business units as many as 54 businesses and only 6 businesses fall into the small business category. The characteristics of respondents based on the latest education of business owners can be seen in Table 8.



Table 8. Last Education of Business Owners

Last Education	Frequency	Percentage (%)
ES/JHS	10	16,67
SHS	15	25
S1	26	43,33
S2	9	15
S3	0	0
TOTALLY	60	100%

The data in Table 8 shows that most business owners, namely 26 people with a percentage of 43.33%, are bachelor graduates (S1), and there are even 9 MSMEs whose owners are master graduates (S2). Based on this data, it can be seen that most business owners have sufficient educational backgrounds. The characteristics of respondents based on their use of e-commerce can be seen in Table 9.

Table 9. Use of E-Commerce

E-Commerce	Frequency	Percentage (%)
Yes	39	65
No	21	35
TOTALLY	60	100%

E-commerce is one of the media that can be utilized by businesses to develop their business. Through E-commerce, businesses can expand their consumer reach. The results showed that most business actors, namely 65%, had used e-commerce, and the remaining 35% did not use e-commerce. This can certainly be an opportunity to be able to improve the quality of MSMEs. For the characteristics of respondents based on the number of employees owned, it can be seen in Table 10 that wages are given every month.

Tabel 10. Total number of employees

Employee number	Frequency	Percentage (%)
<5	38	63,33
Employee 6 - 10	13	21,67
Employee 11 - 15	6	10
Employee 16 - 20	3	5
employee		



>20	0	0
<u>Employee</u>		
TOTALLY	60	100%

Table 10 shows that most of the respondent businesses, namely 63.33%, have less than 5 employees, and only 3 types of businesses have employees in the 16–20 employee category. The number of employees is, of course, directly proportional to the income earned by the business actors. The previous data shows that most businesses only have an income of less than \$5 million each month.

Programs that have been carried out by local governments related to improving the welfare of MSMEs

The following are some of the programs that have been implemented by local governments:

- a. 2018 Program
 - 1) Technical guidance on border craft skill design;
 - 2) Utilization of information technology in improving the quality of SMEs;
 - 3) Improvement and development of SME cooperation networks;
 - 4) Promotion of superior products by SMEs
- b. 2019 Program
 - 1) Guidance on household waste management patterns for MSMEs;
 - 2) Guidance on food stall management techniques;
 - 3) Facilitation of MSME product marketing with business actors;
 - 4) Development of MSME empowerment for laundry service businesses;
 - 5) Utilization of technological information in improving the quality of SMEs;
 - 6) Improvement and development of MSME cooperation networks;
 - 7) SME hallway competition;
 - 8) Gallery centers for superior cooperative and SME products;
 - 9) Organization of superior product promotions;
 - 10) Workshop on improving financial management of MSMEs.

Response of Business Actors Related to Government Programs

The role of the government, in this case the Makassar City Cooperative and MSME Office, is certainly very important in improving the quality and welfare of MSMEs. One of the programs of the Office of Cooperatives and MSMEs is to empower MSMEs in Makassar City, as stated in the RENSTRA of the Makassar City Cooperative and MSME Office.

Makassar. Therefore, all efforts made by the Office of Cooperatives and MSMEs are expected to encourage, empower, and become a forum for all MSMEs to develop. In this section, it is explained how the responses of business actors who are respondents in this study regarding the performance of the Office of Cooperatives and MSMEs can be seen in Table 11.

**Tabel 11. Response of Business Actors Regarding the Government's Role in Assisting MSME Actors**

No	Aspect	Business Actor Response			
		Very Good	Good	Not Good	Very Bad
1	Role in facilitating the creation of new entrepreneurs	13,33%	21,67%	53,33%	11,67%
2	Role in business mentoring and	13,33%	53,33%	20%	13,34%
3	Management for MSMEs	13,33%	33,34%	45%	8,33%
4	Role in assisting marketing either through exhibitions or other activities	8,34%	13,33%	65%	13,33%

There are four indicators used to measure the response of business actors related to the performance of the Makassar city government, as can be seen in the table above. For the first indicator, in general, business actors consider that the government, in this case the Cooperative and SME Office, has not been able to facilitate the creation of new entrepreneurs, especially in Makassar city, as well as in the fourth indicator, namely in terms of assistance in providing business capital or assistance in obtaining business capital. This is also considered unoptimal by business actors.

Apart from these two aspects, aspects related to the role of the government in assisting marketing, be it through exhibitions or other activities, are not considered optimal. This is evident from the data above, which shows that 45% of respondents were in the unfavorable or not optimal category regarding government performance in this aspect. Of the four indicators, only one, namely the role in business assistance for MSMEs, was considered good by most respondents, namely 53.33%. Assistance in this case is like providing business management training or socialization. However, there were also 20% of respondents who said that in this aspect, government performance had not been maximized.

Response of Business Actors Related to Government Programs

The responses of business actors regarding government performance are certainly inseparable from their responses regarding the effectiveness of the programs that have been implemented by the local government for business actors. There are four indicators used to measure the response of business actors regarding the performance of the Makassar city government, as can be seen in the table above. For the first indicator, in general, business actors consider that the government, in this case the cooperative and MSMEs office, has not been able to facilitate the creation of new entrepreneurs, especially in Makassar city, as well as in the fourth indicator, namely in terms of assistance in providing business capital or assistance in obtaining business capital. This is also considered unoptimal by business actors.

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Assistance in this case is like providing business management training or socialization. However, there were also 20% of respondents who said that in this aspect, government performance had not been maximized.

Response of Business Actors Regarding Government Programs

The responses of business actors regarding government performance are certainly inseparable from their responses regarding the effectiveness of the programs that have been implemented by the local government for business actors. For more details, see Table 12.

**Table 12: Response of Business Actors to Government Programs**

No	Aspect	Business Actor Response			
		Very Good	Good	Not Good	Very Bad
1	The empowerment program carried out	8,33%	30%	53,34%	8,33%
2	in accordance with what is needed by MSME actors.	20%	46,67%	33,33%	0%
3	Many empowerment programs are	8,33%	25%	56,67%	10%
4	held, but there is no follow-up.	10%	28,33%	53,34%	8,33%

Empowerment that can be followed, which is facilitated by the local government. The next indicator is 4) The training program held is well socialized and evenly distributed to all business actors. This is, of course, related to the previous data. When the information is easily accessible, government programs will be socialized well and evenly to all business actors. However, the results showed that 53.34% of respondents said that the training programs held so far were not well socialized and evenly distributed to all business actors. This has resulted in many business actors lacking information regarding activities that can be participated in to improve their businesses, both in terms of improving human resources and the quality of their products.

Types of empowerment desired by business actors

Based on the results of interviews with several business actors, several types of aspects of business empowerment programs implemented by the government or non-government parties were formulated. These aspects are then used as indicators to develop an instrument that aims to measure what empowerment programs are a priority for business actors. For more details, see Table 13.

Table 13. Types of Empowerment Desired by Business Actors

No	Aspects	Business Actor Response				TOTALLY
		Strongly Agree	Agree	Disagree	Strongly Disagree	
1	Financial Management	41,67%	31,67%	26,66%	0%	100%
2	Product Quality Improvement Training	70%	25%	5%	0%	100%
3	Business Capital	43,33%	36,67%	20%	0%	100%
4	Product Marketing	63,33%	21,67%	15%	0%	100%
5	Management Skills	23,33%	46,67%	20%	10%	100%

The table above shows that there are 5 general aspects that are the focus of business empowerment activities, namely financial management training, product quality improvement, procurement of business capital, product marketing improvement, and general business management training. The results of the interviews that have been conducted show that they do not really need training that focuses on improving business management skills in general, but business actors tend to prefer businesses that focus on improving product quality and in terms of product marketing, as previously described.



Prioritized Problem Formulation from Interview Results

Apart from using questionnaires, researchers also conducted interviews to collect data related to problems experienced by MSME actors. For more details, see the following explanation:

a. Low Awareness of the Importance of Branding a Business

The results of interviews conducted with respondents show that only a small proportion of them are aware of the importance of branding a business. Most of the respondent MSMEs in this study have not registered their brands with the Ministry of Law and Human Rights. MSME actors have a tendency to only focus on selling without thinking about the quality of the brand of their products. Several previous studies have shown that the role of branding, or a business brand, is very important in efforts to grow the MSME business. Products that have good branding quality will certainly be easier for consumers to remember, so that will have a positive impact on increasing sales of MSME products (Appiah et al., 2019; Ben Youssef et al., 2018; Rus, 2018).

b. Lack of product innovation development

Another important problem experienced by MSME actors is the low initiative and ability of business actors to develop product innovation. This makes it difficult for these business actors to compete with other MSME actors both domestically and abroad. Several studies have shown that the development of product innovation is one of the main variables that plays a very important role in improving MSMEs (Lestari et al., 2019; Putri & Yasa, 2018; Manahera et al., 2018). This is in line with the research results previously described: most respondents want training that focuses on increasing product innovation.

c. Low understanding of Customer relationship management

Several previous studies conducted by Martua & Djati (2018), Setiawan et al. (2018), and Iskandar et al. (2019) show the importance of maintaining customer loyalty in increasing product sales. Based on interviews with respondents, it shows that most respondents do not know the strategies that can be used to maintain customer loyalty. They tend not to pay great attention to creating customer loyalty programs. The results of previous research prove that the more often SMEs conduct customer loyalty programs, the stronger customer loyalty will be (Martua & Djati, 2018; Setiawan et al., 2018).

Problems of MSMEs in the Perspective of Academics

Based on the results of interviews that have been conducted with academics regarding the problems faced by MSME actors in Makassar City, it can be concluded that there are several factors that cause obstacles to the development of MSMEs, which are classified into 2 general factors, namely 1) short- and medium-term factors, 2) long-term. Short- and medium-term factors are coaching and mentoring, which are not sustainable. The training provided to business actors should not only focus on hard skills but also on improving soft skills. In addition, long-term factors in this case are government policies that are less consistent in developing the business world. This includes access to banking, which currently has little impact on the development of micro and small businesses.

Based on these problems, there are several solutions that can be applied related to the above problems.

1) We need a clear and detailed roadmap that involves as many stakeholders as possible regarding the focus and design of programs that will be provided to MSME actors. 2) Integrated data is needed (MSME actors, universities, government, and business world). The role of universities in this case is to conduct research studies whose results can be applied by MSME actors and the government.

Based on the results of the above research, it can be concluded that, in relation to empowerment programs, most actors tend to need empowerment programs that focus on training to improve the quality of business products and empowerment programs that focus on product marketing training or programs that provide a forum for business actors to market their products. These two aspects are considered important for business actors to have.

The results show that most of the training conducted by local governments tends to focus only on improving capabilities in business management in general. The program is usually in the form of training or



socialization. Based on the data above, it can be concluded that such programs are not really desired by business actors. So the program does not really provide more benefits because it is not carried out based on an analysis of the needs of potential beneficiaries. This was said by several resource persons who became respondents in this study during the interview process.

Another interesting piece of data in this research is that when talking about empowerment programs, it is not only a matter of what programs will be carried out but more than that, namely how the program is carried out. Even though the program is based on an analysis of the needs of business actors, if the program is not implemented properly, the results that will be obtained will not be optimal. The results of interviews with respondents show that many programs from the local government are considered good, but there is no follow-up to the program. Most respondents consider that many empowerment programs are carried out by the government but are not accompanied by follow-up. So that the desired target of the program is not maximally achieved.

In addition, every empowerment program implemented by the local government should be easily accessible to business actors. However, most respondents consider that information related to programs from the Makassar City MSME office, both those that have been and those that will be carried out, is not easily accessible. When the information is not easily accessible, government programs will not be socialized properly and evenly among all business actors. This is evident from the research data, which shows that the training programs held so far have not been well and evenly socialized among all business actors. This has resulted in many business actors lacking information regarding activities that can be followed to improve their businesses, both in terms of improving human resources and the quality of business products.

There are several implications of the results of this study, including the following: 1) This research can be used as a consideration in preparing empowerment programs for MSME actors; 2) Identification of the various responses of MSME actors regarding the performance of local governments, in this case the cooperative and MSME office can be used as a reference for improvement and performance improvement by local governments; 3) The results of this study can be used as literature to understand the general condition of business actors in Makassar city regarding their responses to evaluating empowerment programs from local governments; 4) For academics, this research is expected to be used to enrich knowledge and complement the literature on MSME actors.

CONCLUSION

Based on the research results described in the previous section, it can be concluded that: 1) The empowerment program desired by business actors tends to be directed at improving the quality of business products; and 2) empowerment programs that focus on product marketing training; 2) There are 4 aspects that are input from business actors regarding empowerment program carried out by the local government, namely: 1) every program carried out should be in accordance with the analysis of the needs of the beneficiaries. 2) Every program carried out is expected to have a follow-up. 3) Ease of access to information related to empowerment programs; 4) The training program that is held should be well socialized and evenly distributed to all business actors.

There are several recommendations that are proposed based on the research results previously described, namely: 1) Every empowerment program that will be carried out by the government should be prepared based on an analysis of the needs of the beneficiaries, in this case, business actors. 2) The empowerment program carried out by the government should be directed at improving the quality of business products, providing product marketing training, or providing a forum for business actors to market their business products. 3) The programs held should be well socialized and evenly distributed to all business actors. This can be achieved when any information from the government is easily accessible to all business actors.



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