



Empowerment Strategy of Micro, Small, and Medium Enterprises in Bone Bolango Regency

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Abstract

This Study aims to analyze the Empowerment Strategy of Micro, Small, and Medium Enterprises in Bone Bolango Regency. This Study applies the descriptive quantitative method. The data collection technique uses interviews, observation, and documentation. The data analysis uses the* Miles and Huberman Model. The result indicates that (1) the Micro, Small, and Medium Enterprises (MSMEs) empowerment strategy in Bone Bolango Regency can be carried out by MSMEs development stakeholders and MSMEs performer in three main ways, namely the capacity development strategy (bussines support system development program for MSMEs), comprehensive empowerment strategy (program to develop entrepreneurship and competitive advantage for MSMEs) and Protection strategy (Program to create a conducive business climate). (2) Factor the support the empowerment of Micro, Small, and Medium Enterprises (MSMEs) in Bone Bolango Regency, namely the optimization of social networks based on local wisdom, competence, and the role of stakeholders in MSMEs, and the competencies of MSME performer. Meanwhile, the inhibiting factors in empowering Micro, Small, and Medium Entreprises (MSMEs) in Bone Bolango regency are the use of technology, commitment from MSMEs performers, and capital problems that is not followed with an understanding of financial management, (3) The MSMEs development model is the Integrated MSMEs Digitization model. It is a combination of development carried out by MSMEs development development stakeholders and certain responsibilities such as the government to icrease production skills and intervention in raw materials, in banking is to ease the capital, and universities are in community service in terms of effective financial literacy where all activities are conducted by utilizing an essential integrated system in terms of production and marketing.

Keywords: Empowerment, MSMEs, Strategy

1. Introduction

The development of MSMEs in Bone Bolango Regency is an interesting thing to study because this field becomes one of the focus of development by empowering the community. However, there are problems that become obstacles in the development of MSMEs in Bone Bolango Regency, including the mechanism of marketing products and services produced. It is based on the unstoppable development of the modern market and has a much more innovative strategy than micro, small and medium enterprises. In addition, its existence that is able to present the needs of consumers with better facilities, managed with more professional and cheaper prices, is feared to affect the role of traditional markets in the community.

In addition, the conditions in the field related to the existence of each MSME classically look there are several issues that need to be considered in empowering the MSME sector, namely:

- 1) The sector needs better human resources development,
- 2) Requires capital, and
- 3) Requires management coaching, including requires coaching of endeavored talent.

The results of the researchers' observations by seeing that the number of MSMEs that are large enough is indeed an important thing to be considered by the government. But when viewed from the current conditions are not effective because of the pandemic situation that makes MSMEs experience an amount of income that is not like before the pandemic. Obviously this will result in the income of the MSME actor.

Furthermore, although we think of various things about the climate conducive to increasing the productivity of MSMEs, but if no one can control the extent to which the commodity is processed and how its market potential, then it will also be useless. Therefore, there are several principles that must be an orientation if it is future to be done. *First*, who is responsible for being the technical assistant in the existing MSMEs? The government itself or other institutions (Higher Education) The *second*, who will be responsible for *the letter of investment* from the MSME sector. This may be the responsibility of the business and banking sector for example. So that in the discussion of this research will be focused on both of these things in formulating the empowerment strategy of MSMEs in Bone Bolango Regency.

2. Literature Review

The formulation of the definition of MSMEs differs from one country to another and different definitions are made by various world institutions. There is no agreement on the definition of MSMEs. Generally MSMEs are defined based on criteria and characteristics that can be in the form of the amount of labor used, the amount of capital and turnover from the activities produced, and can also be defined based on the characteristics of MSMEs, such as business scale, technology used, organization and management, market orientation, and so on.

According to Law Number 9 of 1995, small businesses are defined as: (1) Business productive property of Indonesian citizens in the form of individual business entities of business entities that are not legal entities, or incorporated business entities, including cooperatives. (2) Holdings Company or branch of the company owned, authorized or affiliated, directly or indirectly, with need a medium or large does not fall into the category of small business. (3) Have net worth of at most Rp.200 million, excluding land and buildings where businesses, or have a maximum sales of Rp100 million per year.

Strategic Concepts

Strategy comes from the Greek word strategies, meaning general. Therefore the word strategy literally means art and general. The word refers to what is the main concern of the top management of the organization by binding external and internal forces, formulating specific policies and strategies to achieve the goals and ensuring their implementation appropriately, so that the main objectives and objectives of the organization will be achieved.

Strategy is an overall approach related to ideas, planning, and execution, an activity within a certain period of time. In a good strategy there are working team conditions, has the theme of identifying supporting factors in accordance with the principles of rational implementation of ideas, efficiency in funding and having tactics to achieve goals effectively. Strategy indicates the general direction the organization wants to pursue to achieve its goals. This strategy is a big plan and an important plan. Each organization to achieve its purpose. This strategy is a big plan and an important plan. Every well-run organization has a strategy, although it is not explicitly stated. According to Alfred Chandler (1962:13) strategy is the setting of goals and directions and allocation of resources needed to achieve goals.

2. Methods

Researchers chose to conduct research in the Ministry of Industry, Trade and MSMEs of Bone Bolango Regency considered representation in carrying out and formulating the policy of MSME empowerment strategy in Bone Bolango Regency. The research time required Researchers in compiling this thesis, is starting from the process of preparing a Research Proposal to the exam. The time used to carry out this research is from September 2020 to December 2020.

The type of research in this study is Qualitative Descriptive Research. Qualitative descriptive research is a type of research that observes and captures factually and actually the real world and examines the behavior of individuals, groups and their daily experiences, as well as studying, explaining, or interpreting a case in its natural context without outside intervention.

According to Lonfland (Moleong, 2007), the main data source in qualitative research is words and actions the rest are additional data such as documents and (others. Thus, based on this data source is sorted into two parts, namely primary data source and secondary data source. Both can be explained below:

Primary data source, i.e. any statements or actions of stakeholders. In more detail, this primary data source is an informant consisting of the following: (1) Head of The Ministry of Industry, Trade and MSMEs of Bone Bolango Regency. The data obtained from this informant is related to the vision of the mission, MSME empowerment strategy and work program in empowering MSMEs in Bone Bolango Regency. (2) Secretary and part / sub MSMEs of MSME Office Bone Bolango Regency. The data obtained from this informant is related to how the agency socializes and implements / implements work programs in the framework of empowerment of MSMEs, what are the obstacles faced and how the solution is solved. MSME business actors. The data to be obtained from this informant is how it responds to the implementation of policies and regulations related to the empowerment of MSMEs in Bone Bolango Regency. The Banking Party. The data that wants to be obtained from this informant is how the participation of the banking side from the capital side in developing and empowering MSMEs in Bone Bolango Regency.

Secondary data sources, namely books, reports, plans and other sources that have discussions related to the theme of this research.

Sugiyono (2012: 63) states that in general there are 4 types of data collection techniques, namely observation, interview, documentation and triangulation. In this study, researchers used the triangulation data technique that connects 3 data collection techniques: observation, interview and questionnaires.

Data analysis using an approach from Spradley (Sugiyono, 2014). This research is intended to examine in depth and describe how the empowerment strategy of MSMEs in Bone Bolango Regency which is a very complicated and complex thing, making it difficult to net and analyze quantitatively, therefore researchers will do it descriptively. Qualitative data analysis according to Spradley (Sugiyono, 2014) includes domain analysis, taxonomic analysis, component analysis and theme analysis. Understanding of both types of data analysis conducted by researchers can be presented the following: (1) Domain Analysis; (2) Taxonomic Analysis; (3) Component analysis

3. Result and Discussion

Factors that affect the empowerment strategy of Small and Medium Micro Enterprises (MSMEs) in Bone Bolango Regency.

The results of analysts regarding factors that affect the empowerment of MSMEs found that factors that support the empowerment of Micro Small and Medium Enterprises (MSMEs) in Bone Bolango Regency are the optimization of social networks based on local wisdom, competence and the role of stakeholders in MSMEs and the competence of MSMEs. While the factors that are inhibiting in the empowerment of Small and Medium Micro Enterprises (MSMEs) in Bone Bolango Regency are the utilization of technology, commitments from MSMEs and capital issues that are less followed up by MSMEs with an understanding of financial management.

Local wisdom factors and social networks become a very crucial supporter because this factor makes MSMEs have wider access to information. Social capital is able to improve the good marketing performance of small and medium-sized micro enterprises (MSMEs) processed food in the city of Gorontalo, which is in accordance with Fukuyama's statement in Kholifah (2016), stating that social capital growing in a community based on shared norms will be very helpful in strengthening the community entity. Social capital is different from other forms of capital, one of which is the ability to create and transfer ideas, thoughts, and the like. Putnam (2002) states that high social capital will have an impact on the high participation of civil society in various forms. The condition of social capital will affect the good performance of a business both in terms of production and marketing.

Micro Small and Medium Enterprise Empowerment Model (MSMEs) in Bone Bolango Regency

The results of the analysis showed that the MSME development model is with the Integrated MSME Digitization model. The integrated MSME digitization model is a combination of development carried out by MSME development stakeholders with certain tasks such as government for the improvement of production skills and intervention of raw materials, in banking, namely for ease of capital, universities are in community service in terms of effective *financial literacy*. Where all activities are carried out by utilizing an integrated system that is essential in terms of production and marketing. Through this activity, it will create the ideal development of MSMEs in an effort to increase good economic activity for MSMEs and regions in terms of greater PDRB acceptance.

In business development, especially in terms of financial records or MSME financial statements, business actors are still negligent in this regard because there are still many actors who do not care about how important financial recording is for their business, which they know only they are trying to profit and loss they have not thought too much about, especially for micro-scale business actors. This is in line with Sutrisno (2016) that MSMEs in carrying out their business activities are still widely found not to have good financial statements so that financial statements cannot be functioned as business controllers in calculating the net income of a business during a period. Therefore, it takes the creation of financial statements to know the true business profit. To achieve optimal operating profit, a recording of transactions related to business finance from every business operational activity that has been running.

The same thing was also revealed by Paring Waluyo (2017) that 90% of finance is mixed between financial statements or business expenses with personal, some even have no financial statements at all. Each business is expected to have financial statements to analyze financial performance so as to provide information about financial position, performance, and cash flow that is useful to users of financial statements in order to make economic decisions and show management accountability for the use of resources entrusted to them. But the practice of financial accounting in MSMEs is still low and has many weaknesses (Suhairi, 2004).

The existence of information, communication and technology media today becomes very important because it can support and can facilitate all activities carried out by humans. Where part of the world, especially in the field of business, industry and trade also participated in utilizing the technology of the information media, both for activities to manage the business as a whole and manage business finances. In addition to making it easier to also have a good advantage in the medium of learning for many people in the world. Nowadays people tend to prefer everything that is practical, faster, and flexible. In the world of business, industry and trade in information media, communication and technology is needed to support business and industrial development, especially for business actors and small industries.

Technology Acceptance Model (TAM) is one of the models built to analyze and understand the factors that influence the acceptance of the use of information technology in the field of business both Micro, Small, and large scale MSMEs and small and large scale industries. One of the Technology Acceptance Models created by the Ministry of Cooperatives and SMEs is the LAMIKRO Application (Micro Business Accounting Report). LAMIKRO is an online application that can be accessed through android phones, iPhone, laptops. This application is designed very simple and friendly to use, so that micro-businesses are expected to be able to easily learn about making financial statements, from daily

iotation to making financial statements (Income Statements, Financial Position Statements, and Notes on Financial Statements). This application, can be a guidance (guide) for budding entrepreneurs and MSMEs, especially Micro Businesses in making good and correct financial statements. This application is an application that was created to make it easier for businesses both small and large scale businesses and small and large scale industries in managing business finances to be more effective and efficient. So that business people can easily improve their financial performance without having to make book notes or carry financial books everywhere. And there are still many SMEs who do not know and use the application.

Micro Small and Medium Enterprises (MSMEs) still have bright prospects for national economic growth. This good prospect becomes a breath of fresh air from business actors and also does not rule out the possibility of competition that forces every MSME to develop the business. According to Putra (2016) that development will be more stable if supported by entrepreneurs because the government's capabilities are very limited. The government will not be able to work on all aspects of development because it requires a lot of spending, personnel, and supervision. Therefore, self-employment is a development potential, both in numbers and in the quality of the entrepreneur itself. With the intention or desire to entrepreneurship will be a leap at least as a hope for the realization of equitable development and community welfare.

This result is in accordance with Neddy's statement (2014) that the benefits of MSMEs in the economic field are its position as a major player in economic activities in various sectors of the largest employment providers, important players in the development of local economic activities and community empowerment, creators of new markets and sources of innovation, its contribution in maintaining balance of payments through export activities. This is as said by Supriyanto (2016: 32) that poverty alleviation by developing MSMEs has quite good potential. The MSME sector has a great contribution to the absorption of labor. The development of MSMEs will be able to absorb more of the existing workforce so as to reduce the unemployment rate. So that the existence of MSMEs that continue to grow will make economic growth and local income increasing which will eventually make the poverty rate and unemployment rate decrease. The increase in MSMEs will certainly increase various economic elements in Bone Bolango Regency including the absorption of labor so as to reduce unemployment due to many people being laid off because companies fail to pay employee salaries, then on reducing poverty, increasing local native income and increasing economic growth.

5. Conclusion and Suggestions

Conclusion

Micro Small and Medium Enterprises (MSME) empowerment strategy in Bone Bolango Regency can be carried out by MSME development stakeholders and MSME actors in 3 main ways, namely capacity building strategy (business support system development program for MSMEs), comprehensive empowerment strategy (entrepreneurship development program and competitive advantage of MSMEs) and protection strategy (conducive business climate creation program).

Factors that support the empowerment of Small and Medium Micro Enterprises (MSMEs) in Bone Bolango Regency are optimization of social networks based on local wisdom, competence and stakeholder roles in MSMEs and the competence of MSMEs. While the factors that are inhibiting in the empowerment of Small and Medium Micro Enterprises (MSMEs) in Bone Bolango Regency are the utilization of technology, commitments from MSMEs and capital issues that are less followed up by MSMEs with an understanding of financial management.

MSME development model is with Integrated MSME Digitization model. The integrated MSME digitization model is a combination of development carried out by MSME development stakeholders with certain tasks such as government for the improvement of production skills and intervention of raw materials, in banking, namely for ease of capital, universities are in community service in terms of effective *financial literacy*. Where all activities are carried out by utilizing an integrated system that is essential in terms of production and marketing.

Suggestions

The importance of cooperation between all stakeholders in the development of MSMEs without doing all activities partially. Stakeholders must conduct stimulus together and conduct monitoring in a continuous manner so that MSMEs can be controlled into better MSMEs for economic activities.

The process of business development and the effectiveness of MSME management by processed MSME business actors can be done with government intervention in marketing aspects, especially prices and distribution channels and most importantly in the provision and assistance of financial capital that will improve the ability of managers to meet market demand. Then the need for intense coaching to processed MSME business actors in order to be able to have commitment and emotional intelligence in improving marketing performance.

It is important for researchers to further conduct research with an analysis of the interests and roles of stakeholders for the development of MSMEs in order to be known the effectiveness of various activities carried out by stakeholders in the development of MSMEs in Bone Bolango Regency.

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