

Governance as a Government Breakthrough to Improve Community Empowerment in SMEs in Makassar City

**Andi Cudai Nur¹, Novayanti Sofia Rukmana²,
Sulmiah³, Oky Nur Pratiwi⁴, Asri Nuraina⁵**

^{1,2,3,4,5}Postgraduate of Public Administration, Department of Administrative Science, Faculty of Social Sciences & Law, Makassar State University, South Sulawesi, Indonesia.
(email: cudainur@unm.ac.id)

Abstract

This study aims to determine the government's breakthrough in improving community empowerment to develop SMEs through entrepreneurship in an effort to improve community welfare and regional income. The research method refers to qualitative research with a focus on SME development strategies with entrepreneurship and community empowerment. The results of the study indicate that a professional digital-based SME governance strategy has been implemented by arranging, organizing or running, and controlling to develop the strength of the marketing and sales network, and being able to analyze the production network to improve product quality. Several policies have been established, including regional regulations that provide opportunities for SMEs to continue to develop the creativity and innovation of the community. Additional findings include the need for community involvement to be able to contribute to the empowerment of digital-based small and medium enterprises. Complementing the policy strategy by creating a SME governance formulation that is in accordance with the needs and dynamics of the development of local community life in Makassar City. The sustainability of the life cycle of SME organizations needs to be continuously improved through strengthening SME entrepreneurship, to optimize community empowerment in SME governance in Makassar City, South Sulawesi.

Keywords:

government policy; arranging; organizing or running;
controlling to develop the strength

Introduction

SMEs need to be empowered with entrepreneurship so that they can contribute to development through optimal SME development. Entrepreneurship can provide opportunities for the creation of various small and medium business developments. Entrepreneurship as a breakthrough in the development of SMEs can be carried out through various efforts to develop creativity and innovation for sustainable development. Small and medium businesses can be creative with various new products to meet people's needs, especially for the millennial generation population which is very dynamic and quite large in number.

Entrepreneurship can help small and medium businesses develop (Gebrekidan, Chebo, Wubetie, & Dhliwayo, 2023; He Liangxing, Zheng Leven J, Sharma Piyush, & Leung T Y, 2024; Xin Shanji & Park Taeyoung, 2024; Yu Linhui, Tang Xuepeng, & Huang Xianhai, 2023), including

establishing partnerships between SMEs (Franco & Haase, 2020; Purnomo, Pujiyanto, & Efendi, 2015), expanding marketing networks (Chen Zhengfu & Barcus, 2024; Sulistyono & Siyamtinah, 2016), increasing product quantity and quality (Arhas, Niswaty, Cahyono, & Rahman, 2022). Developing SMEs can be done through various government programs and activities, by including various important elements of entrepreneurship, especially in empowering communities to be actively involved in SME activities. Sustainable expansion and diversification are very important for the development of SMEs, as well as making them the *prima donna* of the economic sector. SMEs are able to become the largest contributor to state income, and are the fastest growing in Indonesia. SME businesses are an absorber of labor, a source of new jobs, and can be a potential source of income for the community. SMEs can support improvements in the income of entrepreneurs, both small and medium enterprises, provide new employment opportunities, and have an impact on empowering the surrounding community to be involved in SMEs.

Entrepreneurship can help bring benefits and open up opportunities for the development of SMEs, MSMEs, cooperatives and other types of businesses that contribute to increasing income for the welfare of society. SMEs can indirectly shape the character of society as human resources who have an entrepreneurial spirit, and that is very good for the development of SMEs. Indonesia "has entered the era of industrial revolution 4.0, namely a revolution that has fundamentally changed the way we live, work and relate to each other. The industrial revolution is marked by the emergence of technological updates which will bring many changes and risks that may arise, one of which is increasing unemployment" (Ridwan Aji Pitoko, Aprillia Ika, ed, 2018). "Human Resources are the main key to entering the industrial revolution 4.0. Improving the quality of human resources is very important, especially since Indonesia's human resources are still lacking in using the latest technology. Technological sophistication in the business world needs to be addressed carefully and on target. "The challenges ahead are important to prepare Human Resources competencies to be more qualified, creative and innovative" (Nur & Iqbal, 2024).

Literature Review

Small and Medium Enterprises continue to be encouraged by the government to be active and dynamic in their growth, through the Ministry of Cooperatives and Small and Medium Enterprises. The efforts made by the government are quite diverse, starting from education and training, workshops to improve promotional skills, holding various exhibitions, as well as opening collaborations with marketplaces. Teten Masduki emphasized the importance of encouraging Micro, Small and Medium Enterprises (MSMEs) to rise amidst the fluctuating global economic situation after the CO-19 outbreak. From the past until now, business actors in

Indonesia have had quite a potential for development and are still dominated by MSMEs. Around 99% of business actors are MSMEs, so cooperation between the central and regional governments is needed to work together to help the recovery of the MSME economy after Co-19, at least to reduce poverty and unemployment. The following will describe creative strategies for developing MSMEs to capture market opportunities:

1) Infrastructure development assistance; by submitting requests for assistance in the form of financial assistance, logistics and other facilities to the government and financial institutions. Good infrastructure and transportation will support the smooth distribution of raw goods and production results to the market. The faster and easier distribution of production results to the market also opens up opportunities to get more consumers. Apart from that, development of transportation infrastructure to markets will be very helpful in increasing the rate of development of underdeveloped villages;

2) Forming business groups, so far existing businesses have been driven individually, resulting in slow capital accumulation. If run individually, SMEs cannot control the distribution of production results and raw materials quickly. So the supply of raw materials is determined by suppliers, not SMEs/MSMEs as entrepreneurs. It is different if SMEs/MSMEs in the same environment with similar products are combined into one business group. This MSME development strategy allows small and medium entrepreneurs to have the power to control distribution. With group unity, community empowerment will also be achieved;

3) Development of business networks, marketing and partnerships. Business network development can be done by forming patterns such as cluster subcontracting and partnerships. This network pattern has been formed but is not working as it should. Many small entrepreneurs are not tied to subcontracting networks or partnerships with large companies, so their business existence is very vulnerable. Empowerment must have the value of strengthening all parties and working together to obtain benefits;

4) Human resource development is an important factor that must be developed in all types of business. Especially to develop MSMEs so they can compete with imported products in the local market. MSME management must be improved, such as small business financial management which is still integrated with household finances, making it difficult to determine how much money comes in and goes out. Improving the quality of human resources must be carried out through training, seminars, level education, workshops, promotions, exhibitions and building cooperation between the business world. Then proceed with assistance from related agencies; 5) Product promotion is a very important MSME development strategy (Nur & Khalid, 2024) Products must also meet people's needs, and have quality and uniqueness to retain old customers and try to get new customers. Building relationships with old customers can be done

through giving special gifts or promotions, as well as following up with new customers at least once a month. Direct promotion at target locations of potential buyers, direct product publication can be done at exhibitions, bazaars, or opening booths with mini displays in public places. Displaying products along with information on prices, materials and the location where the business is made, as well as creating marketing messages, marketing messages can be realized with taglines, mascots, certain colors that make people remember the products they produce. Based on the results of the analysis of Indonesia's growth prospects for 2020-2024, it can reach a growth rate of 6% and above. Following the perspective of Indonesia's potential and constraints on the growth rate of the Balance of Payments (De Ree, Muralidharan, Pradhan, & Rogers, 2018), as well as the role of the manufacturing sector as an engine of growth. This framework is based on three components (De Ree et al., 2018; Heathcote, Storesletten, & Violante, 2017; Żelazny & Pietrucha, 2017), which together provide the rationale for modern industrial policy (Alder, Shao Lin, & Zilibotti, 2016; Bashlakova & Bashlakov, 2021; Liu Ernest, 2019; Małkowska, Urbaniec, & Kosała, 2021; Siddiqui, 2015; Świadek, Dzikowski, Tomaszewski, & Gorączkowska, 2019): (i) accumulation of productive capabilities, (ii) structural transformation, and (iii) division of roles between society and private sector (Nur & Khalid, 2024).

If we open up the main goals which are important points in Sustainable Development SDGs 2030, it will be seen that the focus is still on the perspective of empowering MSMEs to achieve these sustainable development goals. Apart from that, the reason was inspired by the Public Relations of the United States International Council for Small Business (ICSB) which has released the Top 10, as Trends for 2019. Furthermore, there are ten top MSME issues in Indonesia that require multi-party attention, especially at various levels and sector. Follow-up, which started from a combination of various groups and activists, needs to continue to be strengthened in a system of cooperation and synergy to achieve greater common goals, both now and for the success of SMEs in the future. This system, called multistakeholder, was built by various parties consisting of the government, universities, financial institutions, MSME activists, consultants, business trainers, law-making institutions and corporations. The focus point of empowering MSMEs in the SDGs is to have real targets in achieving community welfare. Including MSME variables in sustainable development is global recognition of the successful contribution of MSMEs over the last two decades in Indonesia. The issue of MSMEs has become the main trend on the agenda of heads of state in their regional relations to develop regional, national and inter-state economies.

Indonesian MSMEs should continue to be supported by the government, and involve the active role of the community by strengthening the UKM base for economic improvement and

realizing community welfare. MSMEs are one of the *prima donnas* in relation to the SDGs, and can become an important pillar in creating various products and services that society needs to improve the quality of their standard of living. The strategy to increase the contribution of entrepreneurship to new SMEs needs to continue to be encouraged to optimize the role of SMEs in Indonesia. Because it does not rule out the possibility of advancing SMEs, which are increasingly in demand among SME activists among youth and millennials, it could become the government's main program to overcome unemployment. This research also found the extent to which local governments can take advantage of existing opportunities to develop entrepreneurial policy strategies to empower digital-based small and medium enterprises in South Sulawesi. Considering that young people are already interested in SME activists, this is an opportunity for the government to create and implement various policy strategies to support entrepreneurship development to empower small and medium businesses in Makassar City South Sulawesi. Considering that the government has created and implemented various policy strategies to support entrepreneurship development in empowering small and medium businesses in Makassar City, South Sulawesi.

The steps taken by local governments to capture entrepreneurial opportunities in empowering online-based small and medium businesses are very diverse, starting from providing activities such as promotions, exhibitions, performances, training, workshops, education and training as well as comparative studies. The research results provide academic benefits, namely as reading material or reference sources in the Makassar State University Library. Source of data and information for students who wish to conduct research in general and public administration research in particular, as well as public policy in the field of entrepreneurship. The practical benefit is obtaining data and information on entrepreneurship development by empowering small and medium businesses, in order to increase regional income, expand employment opportunities and introduce microeconomics. As information for investors and entrepreneurs, both local and national and foreign, about entrepreneurship in empowering online-based small and medium enterprises in Makassar City, South Sulawesi. This is also useful as information for the community regarding the entrepreneurial potential of small and medium businesses, so that the community can support and advance small and medium business entrepreneurship in Makassar City, South Sulawesi.

Furthermore, there is a need for policies to resolve various problems in the development of SMEs, due to differences in needs, as well as the diversity of abilities and readiness of society in the era of globalization. The diverse conditions of a nation's civilization certainly have an impact on that nation's ability to absorb the various implications of progress in the global world. Each nation requires different readiness in absorbing various advances in science, technology,

communication and information in following global life trends (Nur, Cante, & Niswaty, 2019). For developed and high-tech countries it will certainly not be difficult to adapt, but for developing and underdeveloped countries it will be very difficult to adapt, and the result is compulsion which ultimately makes the problems themselves increase.

James E Anderson as quoted by Islamy (2009) states that policy is "an action that has a purpose which is followed by an actor or group of actors in dealing with a problem or matter of concern" (a series of actions that have a purpose). specific purpose). which is followed and implemented by an actor or group of actors to solve a particular problem). Richard Rose as quoted by Winarno (2007) also states that policy must be understood as a series of activities that are more or less related to consequences for interested parties, not as an independent decision. Likewise, the development of SMEs needs to be supported by policies that are more applicable and have a priority scale so that they are right on target.

1. Small and Medium Enterprise Strategy

SME development strategies are very important considering that strategies can make it easier for SMEs to solve their problems and make improvements. Strategy comes from the Classical Greek word "strategos" (general), which is basically taken from the Greek words "army" and "lead". The use of the Greek verb related to "strategos," can be interpreted as "to plan and eliminate the enemy, using effective methods based on existing means" (Braker in Heene & Sanchez 2010)). Chandler (Triton, 2007:15) states that strategy is the determination of the long-term goals of an organization, as well as the implementation of a series of actions, and the allocation of important resources to achieve these goals. As is known, strategy is an action that has an influence and greatly determines the success of a program or activity, both in the future and according to management plans. Therefore (Makmur, 2009: 128) provides an understanding of strategy as a form of rational thinking that is arranged systematically, then its formation is based on observations in experience, observations in environmental developments (social, economic, political, natural and scientific), as well as observing tactics used by people and organizations.

According to Mintzberg Heene & Sanchez (2010), the concept of strategy is very suitable for SMEs to adapt to various changes and respond quickly. Next we will discuss five interrelated definitions of strategy, namely: a) Planning to further clarify the direction an organization takes rationally to realize its long-term goals, b) Reference relating to assessing the consistency or inconsistency of behavior and actions taken. by the organization, c) The positioning angle that the organization chooses when carrying out its activities, d) The point of view regarding the integrated vision between the organization and its environment which is a limitation in its activities, e) Details of the organization's tactical steps containing information to deceive

competitors or opponents. Mintzberg in Heene & Sanchez (2010) identifies the meaning of strategy with 5Ps, namely Plan, Pattern, Position, Perspective, and Play. Salusu (2008) also defines strategy as the art of using organizational skills and resources to achieve its targets through effective relationships with the environment in the most favorable conditions.

2. SME Strategic Management

Developments in strategic management are a manifestation of a form of modern management thought paradigm that can help the development of SMEs. Considering that the position of strategic management in the study of public administration is not as a theory, but as a theoretical instrument in applying various approaches to the study of public administration, especially in New Public Management. Developments in strategic management make organizations able to detect various very dynamic environmental changes. Although in practice, strategic management is not only used in public organizations but is also widely implemented in private organizations such as SMEs.

Furthermore, we can examine the opinion of Hunger & Wheelen (2020), which explains in full the process of the birth of strategic management through four phases, namely:

Phase 1. Basic finance: seek better operational control through budget meetings.

Phase 2. Forecast-based planning: seeks more effective growth planning by trying to predict the future beyond next year.

Phase 3. Externally oriented planning (strategic planning): seeks to increase responsiveness to the market and competition by trying to think strategically.

Phase 4. Strategic Management: seeks to manage all resources to develop competitive advantage and help create a successful future.

3. Elements, Components and Elements of Strategic Management

Now strategic management is known as a systematic process in helping managers make strategic decisions, and can also develop strategic plans. There are several elements, components and elements that must be carried out as the main function of strategic management. Furthermore, Jauch & Glueck (1988) formulated the elements of strategic management as follows:

- a. Mission and Objectives, is a formulation of what an organization will do and the targets to be achieved;
- b. Analysis and Diagnosis, are activities to identify problems, opportunities and challenges that exist in the external environment as well as internal strengths and weaknesses;
- c. Selection is an activity to encourage alternative solutions to problems, assess the solutions and choose the best;

- d. Implementation is an activity that can ensure that the strategy runs well by creating a structure that supports the strategy and developing appropriate plans and policies;
- e. Evaluation is a feedback activity that determines whether the strategy has worked well and takes steps so that the strategy can run.

Meanwhile, Hunger and Wheelen (2020) state that the process in strategic management consists of four basic elements, namely: a) Environmental Scanning, consisting of external environmental analysis activities and internal environmental analysis in the form of SWOT analysis (Strengths, Weaknesses, Opportunities and Treatments); b) Strategy formulation is the creation of long-term plans to make management effective in exploiting opportunities and challenges in connection with the formulation of the organization's strengths and weaknesses. Strategy formulation consists of activities to formulate missions, goals, strategies and policies; c) Strategy Implementation is a process of implementing strategies and policies into actions carried out by management by creating programs, budgets and procedures; d) Evaluation and Control is the process of connecting ideal performance with actual performance implemented.

SMEs require strategic management components in their development in this case: (1) analysis of the business environment is needed to detect opportunities and threats; (2) company profile analysis to determine the company's strengths and weaknesses; (3) business strategy is needed to achieve company goals by paying attention to; (4) company vision and mission.

4. Small and Medium Enterprise Entrepreneurship

Entrepreneurship covers all aspects of work, both private and government employees (Soemahamidjaja, 1980). Entrepreneurs are those who make creative and innovative efforts by developing ideas and gathering resources to find opportunities and improve their lives (Prawirokusumo, 2010). Entrepreneurship arises when an individual dares to develop new businesses and ideas. The entrepreneurial process includes all functions, activities and actions related to obtaining opportunities and creating business organizations (Suryana, 2001). The essence of entrepreneurship is creating added value in the market through the process of combining resources in new and different ways in order to compete. According to Zimmerer & Scarborough (1996), added value can be created in the following ways:

1. Development of new technology,
2. Discovery of new knowledge,
3. Improvement of existing products,
4. Finding different ways of providing more goods and services with fewer resources.

The phenomenon shows that entrepreneurship has begun to penetrate various types of work, because it can make the achievement of work goals quickly realized. Even though there are some experts who emphasize entrepreneurship on the role of small entrepreneurs, in fact the entrepreneurial character is also possessed by people who work outside of entrepreneurship. Having entrepreneurship in a person will make him work more optimistically and dare to take risks in work that is full of challenges. Entrepreneurship makes workers more enthusiastic by applying creativity and developing innovation in thinking and acting. Entrepreneurship can also strengthen the character of entrepreneurs, and can be owned by everyone who likes change, renewal, progress and challenges, whatever their profession.

Thus, there are six important aspects of entrepreneurship, with the following various meanings:

1. Entrepreneurship is a value that is manifested in behavior that is used as a resource, driving force, goals, strategies, tips, processes and business results (Sanusi, 1994);
2. Entrepreneurship is a value needed to start a business and develop a business (Prawiro, 1997);
3. Entrepreneurship is a process of doing something new (creative) and different (innovative) which is useful in providing added value;
4. Entrepreneurship is the ability to create something new and different (Drucker & Maciariello, 2014);
5. Entrepreneurship is a process of applying creativity and innovation in solving problems and finding opportunities to improve business life (Zimmerer & Scarborough, 1996); 6) Entrepreneurship is an effort to create added value by combining resources in new and different ways to win the competition.

Tripodi (1987) Agustino (2020) in defines policy evaluation as a process of assessing the achievements of several activities that have been planned to support the achievement of goals. According to Chelimsky & Sadish (1997) in Agustino (2020) states that policy evaluation is a determination of the results obtained from several activities, which are designed to meet targets or objectives of certain value. In line with what was stated by Jones (1996), Bloom, Fischer, & Orme (2008) in Agustino, (2020) also explains policy evaluation as a comparison of real program work results with decision making regarding the value of program effectiveness, measures of program work results, processes comparisons based on these measures and the use of information useful for policy making and program management, measuring their successes and failures in meeting national goals.

From the statements above, it can be concluded that public policy evaluation is a series of activities carried out in order to seek information regarding the results of the overall

implementation of the policy, then assess the results of the policy whether they are good in terms of implementation, whether they are useful or used as recommendation material for future policies.

5. Policy Evaluation Criteria

This research uses policy evaluation theory to find out how policy evaluation is implemented in SMEs and their development, using general criteria intended to provide direction for assessors. The formulated criteria can be used as a benchmark in determining the success or failure of a policy. Evaluation criteria are indicators used in assessment to produce information regarding the implementation of policies in research. Various types of criteria are used to evaluate a public policy, one of which can be the criteria proposed by Dunn, (2003:610) as follows:

1) Effectiveness

Effectiveness has its origin from the word effective which means success and achieving a predetermined goal. Effectiveness can also be called the utility of success. Effectiveness will usually relate to the relationship between the expected results and the results actually achieved. Dunn (2003) states that effectiveness is related to whether an alternative achieves the expected results or consequences, in achieving the action goal. It can also be closely related to technical rationality, which is always measured in units of products or services or their monetary value. If a policy has been implemented but its impact turns out to be unable to resolve existing problems in society, then it can be said that the policy has not achieved its maximum goals and has not met its targets. However, there are also results from a policy that is effective but requires time in the long term, so it also takes a relatively long time.

2) Efficiency

Efficiency is a way of measuring something by looking at and measuring all the resources used, and concerns the amount of effort required to produce a certain level of effectiveness. Efficiency, is also a synonym of economic rationality, namely the relationship between effectiveness and efforts made as the final benchmark, which is generally measured in the form of monetary costs. Efficiency is usually determined through calculating the cost per unit of a product or service. Meanwhile, according to Dunn, (2003:430) argues that efficiency is related to the amount of effort required to produce a certain level of effectiveness. Policies that achieve the highest effectiveness with the smallest costs are called efficient. If you look at this opinion, it can be said that efficiency is a benchmark for assessing how far or how much effort has been made by the implementers of a policy activity in seeking maximum results in accordance with their objectives.

3) Adequacy

Adequacy in the implementation of public policy can be said and means that the objectives that have been achieved are felt to be sufficient in various respects. So Dunn, (2003: 430) suggests that "adequacy is related to how far a level of effectiveness meets the needs, values, or opportunities that cause problems." So from this definition it can be concluded that adequacy is still related to effectiveness by measuring or estimating the extent to which existing alternatives can satisfy needs, values or opportunities in solving problems that occur.

4) Alignment

The next evaluation criterion is regarding alignment, which is generally said to be justice obtained through public policy targets as objects for the implementation of the policy. Dunn, (2003: 501) states that An equity criterion for selecting a number of alternatives to be used as a recommendation is based on considering what the alternatives are

Today's public awareness of carrying out entrepreneurial/self-employed activities (standing or trying on one's own strength) is also increasing. The term entrepreneurship is a term translated from entrepreneur, another term entrepreneurship is translated as entrepreneurship. Entrepreneurship means someone who is able to start and/or run a business. An entrepreneur is a person who has extensive knowledge about the environment and makes decisions about the business environment, manages a certain amount of capital and faces uncertainty to gain profits. It's just that often a person's decision to become self-employed or self-employed is driven by several conditions, including: (1) the person was born and/or raised in a family that has a strong tradition in the business sector (Confidence Modalities); (2) the person is in a stressful condition, so there is no other choice for him but to become an entrepreneur (Tension Modalities), and (3) someone who is indeed preparing to become an entrepreneur (Emotion Modalities).

Some of the research results that have been carried out, one of which is research conducted by Sulasmi (1989) on 22 female entrepreneurs in Bandung, which shows that around 55% of these entrepreneurs have entrepreneurial families (parents, husbands, or entrepreneurial relatives). Meanwhile, research conducted by (2001) on the 8 most successful entrepreneurs in Pangandaran showed that all of these entrepreneurs started their businesses out of compulsion. The third category (Emotion Modalities), according to Muhandri (2002), are entrepreneurs who generally have a high level of education. People who fall into this category are preparing themselves to become entrepreneurs, by studying a lot of scientific knowledge (academics) related to the business world.

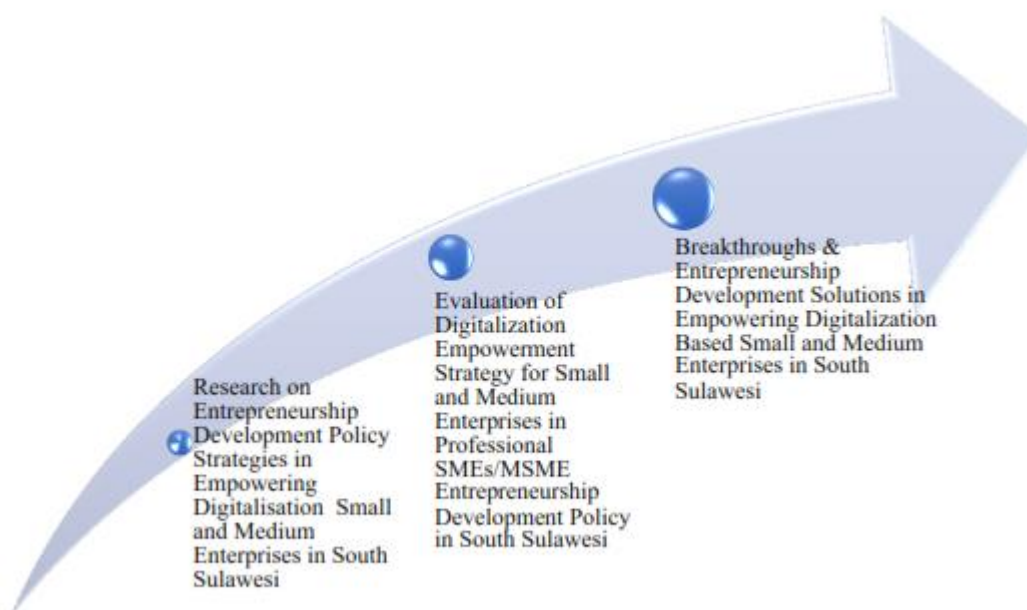
The reality in the field also often occurs that the driving factor for someone to enter the world of entrepreneurship is due to a combination of the factors above. There are many

positive factors that motivate someone to enter the world of entrepreneurship, but in reality the situation of MSMEs is still not encouraging. MSMEs are often still identified as businesses that are difficult to develop and have many problems:

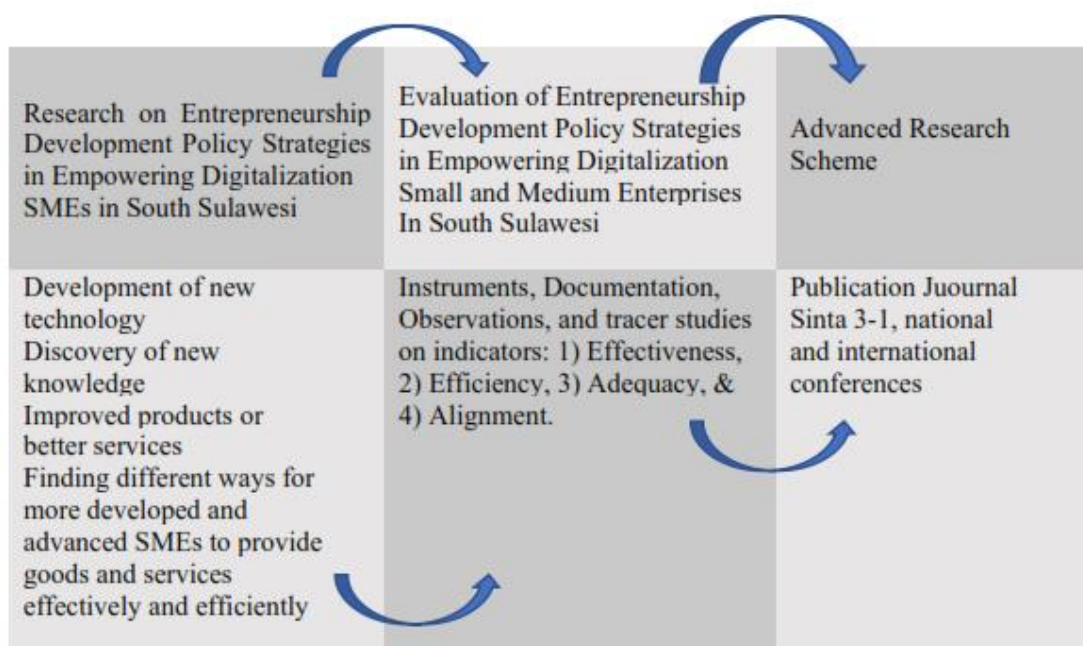


Research Roadmap

To direct this research towards achieving more structured and systematic research objectives, a research activity path (road map) has been prepared which will be used as a reference in the research. The road map for this research is described as follows:



The road map for this research is illustrated as follows:



Methods

This research is located on Jl. Andi Pangerang Pettarani, to be precise, at the South Sulawesi- South Province Cooperative & UMKM Service Office, and various entrepreneurship locations in Makassar City. The type of research used is mixed methods. Mixed methods research is a research approach that combines or associates qualitative forms and quantitative forms. This approach involves philosophical assumptions, the application of qualitative and quantitative approaches, and mixing the two approaches in one research. This approach is more complex than just collecting and analyzing two types of data, and also involves the functions of the two approaches collectively so that the overall strength of this research is greater than qualitative and quantitative research (Creswell & Poth, 2016). Quantitative methods play a role in obtaining measurable quantitative data which can be descriptive, comparative and associative. Then the qualitative method plays a role in proving, deepening, expanding, weakening and invalidating the quantitative data that was obtained at the initial stage (Sugiyono, 2017).

This research focuses on concentrating on strategies for developing SMEs with entrepreneurship, to empower digitalization-based small and medium enterprises in Makassar City, South Sulawesi. This research uses evaluation indicators to determine the potential of entrepreneurship development strategies in empowering digital-based small and medium enterprises in Makassar City, namely: 1) Effectiveness, 2) Efficiency, 3) Adequacy, & 4) Alignment. The indicate that a professional digital-based SME governance strategy has been implemented by arranging, organizing or running, and controlling to develop the strength of the

marketing and sales network, and being able to analyze the production network to improve product quality. Additional findings include the need for community involvement to be able to contribute to the empowerment of digital-based small and medium enterprises. Complementing the policy strategy by creating a SME governance formulation that is in accordance with the needs and dynamics of the development of local community life in Makassar City. The sustainability of the life cycle of SME organizations needs to be continuously improved through strengthening SME entrepreneurship, to optimize community empowerment in SME governance in Makassar City, South Sulawesi. Government policy is a long-term plan that contains the goals of entrepreneurship development in empowering MSMEs and procedures for achieving these goals which are outlined in formal statements such as laws and other documents. Government policy is a long-term plan that contains the goals of entrepreneurship development in empowering MSMEs and procedures for achieving these goals which are outlined in formal statements such as laws and other documents.

The government's strategy is related to program steps and activities carried out by local governments in developing digital-based entrepreneurship in empowering MSMEs. Lofland (Moleong, 2002), stated that the data source was obtained through primary data in the form of interviews with sources or informants who were considered to have the potential to provide relevant and actual information in the field regarding SME development strategies in South Sulawesi, namely: a) Head of the Cooperative Service and Small and Medium Enterprises of South Sulawesi Province (Head of Empowerment and Development of Cooperatives and Small Businesses); b) Employees of the Makassar City Cooperatives and Small and Medium Enterprises Service; c) Entrepreneurs who enter into partnerships with the Makassar City online-based Cooperatives and Small and Medium Enterprises Service; d) The general public in partnership with the Makassar City online-based Cooperatives and Small and Medium Enterprises Service. A collection of materials related to research which can be in the form of data, facts, symptoms, or information that is valid (true), real (trustworthy), and objective (according to reality). To collect data, the author used a field study data collection technique, namely by conducting research at a predetermined location or object, namely the South Sulawesi Province Cooperatives and SMEs Service.

Result and Discussion

SME development requires a development strategy in the national spatial structure which is directed at improving the quality and service coverage of goods and services. For this reason, it is necessary to provide an integrated and evenly distributed network of transportation, telecommunications, energy sources and water resources throughout Indonesia.

As an effort to realize development strategies in Indonesia, Sulawesi Island plays a role as a national food barn, center for marine economic development, and center for mineral and geothermal mining which is supported by the existence of primary arteries, highway networks, primary collector road networks, and freeway networks. obstacle. Although it is still hampered by the construction of an inter-city railway network that crosses Sulawesi Island, and the still limited crossing network 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 regional development in South Sulawesi Province, including the development of oil/gas fuel depots and gas and oil pipeline networks. Everything requires a reliable energy network system, including the development of telecommunications networks in South Sulawesi in the form of terrestrial networks, and the development of analog and digital micro networks, which are very necessary to help develop SMEs based on digitalization.

The 2018 Regional Development Work Plan continues to refer to the 2013-2018 South Sulawesi Province RPJMD as continued development based on the 7 seven missions that have been determined along with the elaboration of policies that have been formulated on each matter for the continuation of priority programs. Determination of the 2018 development priority program takes into account strategic issues which are followed up with activities that can answer future challenges in an effort to perfect development targets from the medium-term planning framework. The 2018 transition program was prepared based on several considerations, as follows: (1) it has a big impact on achieving development targets, so that the benefits can be immediately felt by the community, (2) it is important and urgent to be implemented. immediately, and (3) It is a government task and realistic to implement, and (4) Maintain synchronization and consistency of planning from one period to the next. It is hoped that the results of this research will provide benefits as a source of data and information for the Makassar City Government, South Sulawesi in developing entrepreneurship in empowering small and medium businesses in order to increase regional income, expand employment opportunities and introduce microeconomics. As information for investors and entrepreneurs, both local and foreign, about entrepreneurship in empowering small and medium businesses in Makassar City, South Sulawesi, it is hoped that the research results can be useful as information to the community about the entrepreneurial potential of small and medium businesses, so that people can have optimal willingness to implementing and improving MSME activities, supporting and continuing to encourage the sustainability of small and medium enterprise entrepreneurship in Makassar City, South Sulawesi. Entering the 4.0 era, micro, small and medium businesses seem to be required to develop competitiveness through the use of digital platforms. MSME players in

Makassar City are no exception, who show that they are still in the range of 10% of the relatively new MSME segment ecosystem, in utilizing technology to support their business activities. Limited resources to support digital-based capacity development is one of the obstacles. Including aspects of capital, promotion and strengthening product quality that has competitiveness. Referring to data from the Makassar City Cooperatives and MSMEs Service, the number of MSMEs operating in various sectors is 16,492. Even though the numbers are still small, products from MSMEs have started to be sold abroad and have reached various countries in Asia, Europe and America. "Such as dry food or snacks such as crackers, handicrafts, marine products, plantation products and agricultural products," said the Head of the Makassar Cooperatives and SMEs Service. Apart from that, Makassar MSMEs that are based in conventional retail stores are also starting to become technology savvy, so they can take advantage of digitalization to further improve their sales and delivery efforts both locally, nationally and internationally. The chairman of the Makassar DPRD also gave his assessment that it is time for business actors to utilize technology in managing their business. Although the problem is that currently not many MSMEs are aware of the benefits of technology. However, nowadays most market activities are carried out digitally. Unfortunately, most of our MSMEs are not yet technologically literate. As the results of measuring the Strength of Growth of Makassar MSMEs in the Digital Era held by Makassar MSME Alumni IKA STIMIK Dipanegara together with the South Sulawesi Economic Journalist Forum, are considered still less competitive. So inviting all elements including corporations to be more active in facilitating digital access for MSMEs in the city of Mkaassar to make them more attractive in facing competition in the digital era. One thing that is realized by the Sampoerna Retail Community (SRC) is by developing new innovations to answer challenges in the digital era. This retailer has launched the AYO SRC application, Local Corner and a new identity. Not only does it embrace MSMEs based in Makassar, but it also opens up collaboration space for MSME segment players from all districts/cities in South Sulawesi. This is an effort to open opportunities for cooperation and unlimited market access for retail business actors and local MSME players. Sampoerna Retail Community (SRC) is a form of support for empowering Small and Medium Enterprises in the retail sector from PT HM Sampoerna Tbk. Likewise, specifically, the AYO SRC application is available, which is an innovation to facilitate access for SRC members to share business knowledge with each other, obtain information on the development of Sampoerna SMEs, and facilitate the store management process. Sampoerna wants all SRCs to become better known, so that MSMEs in Makassar and South Sulawesi in general can have large niche potential to optimize business development and create digital-based opportunities (Nur & Khalid, 2024).

The existing planning policy, namely 2019, is generally outlined in order to maintain and strengthen the performance of the 2013-2018 RPJMD Vision with the success of strengthening policies for equitable development missions in 2013-2018, as follows: (1) Encouraging further development of a religious and harmonious society intra- and inter-religious (2) Improving the quality of economic welfare, social welfare and environmental sustainability (3) Increasing access and quality of educational services, welfare and infrastructure (4) Increasing regional, regional, national competitiveness and global synergy (5) Increasing quality of democracy and legal certainty (6) Improving the quality of order, security and national unity (7) increasing the realization of good and clean government. The preparation of the 2019 Regional Development Work Plan continues to refer to the 2013-2018 South Sulawesi Province RPJMD as a continuation of development based on the seven missions that have been determined along with the elaboration of policies that have been formulated to continue priority programs.

Determination of the 2019 development priority program takes into account strategic issues which are followed up with activities that can answer future challenges in an effort to perfect development targets from the medium-term planning framework. The 2018 transition program was prepared based on several considerations, as follows: (1) it has a big impact on achieving development targets, so that the benefits can be immediately felt by the community, (2) it is important and urgent to be implemented. immediately, and (3) It is a government task and realistic to implement, and (4) Maintain synchronization and consistency of planning from one period to the next. It is hoped that the results of this research will provide benefits as a source of data and information for the Makassar City Government, South Sulawesi in developing entrepreneurship to empower small and medium businesses in increasing regional income, expanding employment opportunities, and introducing microeconomics. Also as information for local, regional, and foreign investors and entrepreneurs about entrepreneurship in empowering small and medium businesses in Makassar City, South Sulawesi. There is a need for active community participation in managing the potential of MSMEs by instilling entrepreneurship in small and medium businesses, and having an optimal willingness to become MSME actors, and increasing MSME activities in Makassar City, South Sulawesi.

South Sulawesi Province has a guide to how to live in society, because of the diversity of the population with various interests, and ultimately has an impact on the pattern of needs in the economic chain that occurs. To support and encourage its role, South Sulawesi Province should have comprehensive and multi-stakeholder planning so that they can support each other in the form of the South Sulawesi Regional Long Term Development Plan 2005 - 2025. Has established a Vision for South Sulawesi as an Innovative, Productive, Competitive, Inclusive Province, and Character. The vision of the RPJPD South Sulawesi 2005 - 2025 was then outlined

in the Vision of the Regional Medium Term Development Plan 2018 - 2023, which stipulates "South Sulawesi to Become a Leading Province in Indonesia with a Religious Approach to Local Independence." This vision illustrates that civility, justice and prosperity for all citizens of South Sulawesi are important foundations for development. Not only physical development such as magnificent infrastructure and the use of modern technology in everyday life, but also human development which includes all positive change efforts to improve the quality of education, health, security, prosperity and happiness of all citizens. This approach to physical and human development must be encompassed by a development approach that is environmentally, culturally and community involved. Not only do they participate, the community becomes the main driving force of development which helps determine the direction of South Sulawesi's future development. Besides, according to Andi Cudai Nur, Et. Al. in his new findings, SMEs as supporting tourism drivers in providing various tourist needs, the government should continue to make efforts and improve their governance. SMEs can support Indonesian tourism, so they require government attention, especially in providing capital for beginners and optimizing capital for those affected by the Co-19 outbreak. MSMEs in Indonesia are expected to continue to contribute to the development of tourist villages and help strengthen the achievement of community welfare in rural areas (Nur, Nur, Akib, & Koliopoulus, 2024).

The number of Micro, Small and Medium Enterprises in South Sulawesi is increasing by around 3% per year so that they can play a bigger role in driving the people-based MSME economy. To support growth and improvement, a series of training steps are carried out to facilitate various aspects on an ongoing basis to encourage the growth of MSMEs in the regions. Various assistance and training for MSMEs was also carried out as the initial stage of a series of encouragement for business actors in the MSME segment to make them more attractive. The South Sulawesi government has also put an emphasis on providing facilitation for various aspects, such as involving MSMEs in exhibitions and helping with product marketing, so that local MSMEs can build wider marketing networks to encourage sales quantity. Motivating MSME players to sharpen their business lines with digital technology-based sales globally. The role of MSME actors operating in the real sector has so far made a significant contribution to the economic structure of South Sulawesi which is consistently above the national average. According to data from the Central Statistics Agency (BPS), South Sulawesi's economic growth reached 7.23% last year. This condition occurred in all business fields, where the highest growth was achieved by the accommodation, and food and beverage provision sectors with an increase of 11.66%. Followed by the wholesale and retail trade sector, as well as car and motorbike repairs with an increase of 10.74%.

Conclusion

The entrepreneurial potential of digital-based SMEs is quite potential to be developed. But MSMEs need a professional and stronger strategy to boost their competitiveness in a challenging global environment. Based on the four indicators studied, the achievement of the four indicators was not optimal in: 1) Effectiveness, 2) Efficiency, 3) Adequacy, & 4) Alignment. Micro, Small and Medium Enterprises are required to develop competitiveness through the use of digital platforms, the use of online systems in buying and selling transactions, the use of digitalization to support various business activities, and the expansion of industrial networks that market their business results. Community participation can be optimized to increase digital-based SME activities in Makassar City. The results of the study indicate that a professional digital-based SME governance strategy has been implemented by arranging, organizing or running, and controlling to develop the strength of the marketing and sales network, and being able to analyze the production network to improve product quality. Several policies have been established, including regional regulations that provide opportunities for SMEs to continue to develop the creativity and innovation of the community. Additional findings include the need for community involvement to be able to contribute to the empowerment of digital-based small and medium enterprises. Complementing the policy strategy by creating a SME governance formulation that is in accordance with the needs and dynamics of the development of local community life in Makassar City. The sustainability of the life cycle of SME organizations needs to be continuously improved through strengthening SME entrepreneurship, to optimize community empowerment in SME governance in Makassar City, South Sulawesi. The government can make entrepreneurship a breakthrough to develop and advance regional income through various innovation policies that provide opportunities for the wider community to contribute to the development of the creative power of the business world as a whole. A policy strategy is needed in administering government that is in accordance with the conditions and culture of the people of Makassar City. By designing a professional digital-based governance strategy, it is hoped that we can build marketing and sales analysis strength, carry out production and marketing network analysis, as well as a sustainable SMEs organizational life cycle. Steps that local governments can take to capture various entrepreneurial opportunities in empowering small and medium businesses from the central government are by making adaptive governance adjustments, creating a protective legal umbrella, inviting various sources of funding, building competitive local cultural values, building cooperative networks adaptively, expanding the network of information about values and rules in the professional business world. The government should implement pick and drop off, in capturing various entrepreneurial opportunities from local, regional and national SMEs.

Activate entrepreneurial organizations to help empower digital-based small and medium enterprises by adjusting governance, integrating legal umbrellas, providing funding sources both at home and abroad, expanding relationships, and global SME transaction networks.

Acknowledgments

We would like to thank the Chancellor and Head of the Makassar State University Research Institute/Makassar State University for giving permission to conduct research. The review team, editors, and everyone who has been involved and contributed to this research. Also to the entire journal work team who have provided recommendations for acceptance and publication of our manuscript

Conflict of Interest: The authors declare that they do not have conflict of interest

References

- Agustino, L. (2020). *Dasar-dasar kebijakan publik*. Bandung: Alfabeta.
- Alder, S., Shao Lin, & Zilibotti, F. (2016). Economic reforms and industrial policy in a panel of Chinese cities. *Journal of Economic Growth*, 21, 305–349.
- Arhas, S. H., Niswaty, R., Cahyono, T., & Rahman, N. (2022). Social Network Analysis: E-Marketing Sales of “Kue Lebaran” in the Perspective of the Technology Acceptance Model. *Pinisi Business Administration Review*, 4(1), 45–52.
- Bashlakova, V., & Bashlakov, H. (2021). The study of the shadow economy in modern conditions: Theory, methodology, practice. *The Quarterly Review of Economics and Finance*, 81, 468–480.
- Chen Zhengfu, & Barcus, H. R. (2024). The rise of home-returning women’s entrepreneurship in China’s rural development: Producing the enterprising self through empowerment, cooperation, and networking. *Journal of Rural Studies*, 105, 103156. <https://doi.org/10.1016/j.jrurstud.2023.103156>
- Creswell, J. W., & Poth, C. N. (2016). *Qualitative inquiry and research design: Choosing among five approaches*. Sage publications.
- De Ree, J., Muralidharan, K., Pradhan, M., & Rogers, H. (2018). Double for nothing? Experimental evidence on an unconditional teacher salary increase in Indonesia. *The Quarterly Journal of Economics*, 133(2), 993–1039.
- Drucker, P., & Maciariello, J. (2014). *Innovation and entrepreneurship*. Routledge.
- Dunn, W. N. (2003). *Pengantar Analisis Kebijakan Publik*. Yogyakarta: Universitas Gadjah Mada.

- Franco, M., & Haase, H. (2020). Interfirm Partnerships and Organizational Innovation: Study of SMEs in the Automotive Sector. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(4), 193. <https://doi.org/https://doi.org/10.3390/joitmc6040193>
- Gebrekidan, T. H., Chebo, A. K., Wubetie, Y. F., & Dhliwayo, S. (2023). Linking technology entrepreneurship to a business model towards the growth of ventures: Lessons from Ethiopian small manufacturing ventures. *Social Sciences & Humanities Open*, 8(1), 100506. <https://doi.org/https://doi.org/10.1016/j.ssaho.2023.100506>
- He Liangxing, Zheng Leven J, Sharma Piyush, & Leung T Y. (2024). Entrepreneurship education and established business activities: An international perspective. *The International Journal of Management Education*, 22(1), 100922. <https://doi.org/https://doi.org/10.1016/j.ijme.2023.100922>
- Heathcote, J., Storesletten, K., & Violante, G. L. (2017). Optimal tax progressivity: An analytical framework. *The Quarterly Journal of Economics*, 132(4), 1693–1754.
- Heene, A., & Sanchez, R. (2010). *Enhancing competences for competitive advantage*. Emerald Group Publishing.
- Hunger, J. D., & Wheelen, T. L. (2020). *Essentials of Strategic Management* (Fifth Edition; S. Yagan, Ed.). New Jersey: Pearson Education.
- Islamy, M. I. (2009). *Prinsip-Prinsip Perumusan Negara*. Jakarta: Bumi Aksara.
- Jauch, L. R., & Glueck, W. F. (1988). Strategic management and business policy.
- Liu Ernest. (2019). Industrial policies in production networks. *The Quarterly Journal of Economics*, 134(4), 1883–1948.
- Małkowska, A., Urbaniec, M., & Kosała, M. (2021). The impact of digital transformation on European countries: Insights from a comparative analysis. *Equilibrium. Quarterly Journal of Economics and Economic Policy*, 16(2), 325–355.
- Moleong, L. (2002). *Metode Penelitian Kualitatif*. Bandung: Remaja Rosdakarya.
- Muhandri, T. (2002). Strategi Penciptaan Wirausaha (Pengusaha) Kecil Menengah Yang Tangguh. Bogor: Falsafah Sain IPB.
- Mu'minah. (2001). Mempelajari Tarikan Pasar di Pangandaran. *Magister Program Studi Teknik Dan Manajemen Industri*. Institut Teknologi Bandung. Bandung.
- Nur, A. C., Cante, S. R., & Niswaty, R. (2019). *Opportunities to Develop Entrepreneurial-Based Development Economy in The Era of Globalization*.

- Nur, A. C., & Iqbal, S. (2024). Revolution 4.0 as a Momentum for Human Resource Management Towards Era 5.0. In *Innovative Human Resource Management for SMEs* (pp. 136–147). IGI Global.
- Nur, A. C., & Khalid, K. (2024). Strategic HR Management of SME Development in the Era of Globalization. In *Innovative Human Resource Management for SMEs* (pp. 117–135). IGI Global.
- Nur, A. C., Nur, A. I., Akib, H., & Koliopoulus, T. (2024). The Importance of Government Collaboration Strategies for Developing Tourism Villages in Indonesia. *Revista de Gestão Social e Ambiental*, 18(4), e05386–e05386.
- Prawiro, S. (1997). *Kewirausahaan. Bandung. CV. Alfabeta*. Prawirokusumo, S. (2010). *Kewirausahaan dan manajemen usaha kecil. Yogyakarta: BPFE*.
- Purnomo, D., Pujiyanto, T., & Efendi, N. (2015). Unpad – Ibu Popon Collaboration; A Best Practice in Sustainable Assistance Model for Social Entrepreneurship in Agro-industrial Based SME's. *Agriculture and Agricultural Science Procedia*, 3, 206–210. <https://doi.org/https://doi.org/10.1016/j.aaspro.2015.01.040>
- Salusu, J. (2008). *Pengambilan Keputusan Stratejik: Untuk Organisasi Publik Dan Organisasi Nonprofit*. Jakarta: Grasindo.
- Sanusi, A. (1994). *Menelaah Potensi Perguruan Tinggi untuk Membina Program Kewirausahaan dan Mengantar Pewirausaha Muda*.
- Siddiqui, K. (2015). Economic Policy–State Versus Market Controversy. *Equilibrium. Quarterly Journal of Economics and Economic Policy*, 10(1), 9–32.
- Soemahamidjaja, S. (1980). *Membina Sikap Mental Wirausaha. Jakarta: Gunung Jati*.
- Sugiyono. (2017). *Metode Penelitian Bisnis (Pendekatan Kuantitatif, Kualitatif, Kombinasi dan R&D)*. Bandung: Alfabeta
- Sulasmi. (1989). Karakteristik 22 Pengusaha Wanita di Bandung. *Program Studi Teknik Dan Manajemen Industri. Institut Teknologi Bandung*. Bandung.
- Sulistyo, H., & Siyamtinah. (2016). Innovation capability of SMEs through entrepreneurship, marketing capability, relational capital and empowerment. *Asia Pacific Management Review*, 21(4), 196–203. <https://doi.org/https://doi.org/10.1016/j.apmrv.2016.02.002>
- Suryana. (2001). *Kewirausahaan*. Jakarta: Salemba Empat.
- Świadek, A., Dzikowski, P., Tomaszewski, M., & Gorączkowska, J. (2019). Sectoral patterns of innovation cooperation in Polish industry. *Equilibrium. Quarterly Journal of Economics and Economic Policy*, 14(1), 183–200.
- Winarno, B. (2007). *Kebijakan publik: Teori dan proses*. Yogyakarta: Media Pressindo.

- Xin Shanji, & Park Taeyoung. (2024). The roles of big businesses and institutions in entrepreneurship: A cross-country panel analysis. *Journal of Innovation & Knowledge*, 9(1), 100457. <https://doi.org/https://doi.org/10.1016/j.jik.2023.100457>
- Yu Linhui, Tang Xuepeng, & Huang Xianhai. (2023). Does the business environment promote entrepreneurship? Evidence from the China Household Finance Survey. *China Economic Review*, 79, 101977. <https://doi.org/https://doi.org/10.1016/j.chieco.2023.101977>
- Želazny, R., & Pietrucha, J. (2017). Measuring innovation and institution: the creative economy index. *Equilibrium. Quarterly Journal of Economics and Economic Policy*, 12(1), 43–62.
- Zimmerer, T., & Scarborough, N. M. (1996). *Entrepreneurship and New Venture Formation*. London: Prentice Hall International.