

Strategy for Development of Micro, Small and Medium Enterprises in Gowa Regency, Indonesia

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ABSTRACT

The current development of Gowa Regency is directed at efforts to develop economic activities that can provide welfare to the people of Gowa Regency. This study aims to formulate a strategy for developing small micro enterprises (MSMEs) in Gowa Regency. Data collection was carried out by conducting in-depth interviews with cooperative and MSMEs service staff in Gowa Regency, and MSMEs entrepreneurs in Gowa Regency. Apart from the interviews, a Focus Group Discussion (FGD) was also conducted. The data obtained were then analyzed using descriptive analysis and SWOT analysis. The results of the study show that the strengths possessed by MSMEs in Gowa Regency are, increase public interest in doing business and local government support for MSMEs development. Weaknesses faced include coordination of coaching by each Regional Apparatus Organization (OPD) and the absence of a training center. While opportunities for MSMEs development include: the availability of natural resources and the position of Gowa Regency which is directly adjacent to the city of Makassar as the provincial capital. Furthermore, the challenges faced include; more competitive entry of products from Java and abroad, as well as dependence on raw materials from Java and imports. Therefore the MSMEs development strategy in Gowa Regency can be carried out with a program to create a healthy business climate for MSMEs with the aim of facilitating the establishment of a healthy, economical, and efficient and non-discriminatory business environment for the continuity and improvement of MSMEs performance.

Keywords: Development strategy, MSMEs, SWOT analysis.

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I. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are one of the pillars of the Indonesian economy. The World Bank says that more than 90% of existing businesses are MSME businesses (Japhta *et al.*, 2017). In addition, formal small and medium enterprises contribute to 40% of the gross domestic product (GDP) in developing countries. MSMEs also have an important role in completing the Sustainable Development Goals (SDGs), especially in stimulating innovation, creativity, and creating decent jobs for all. MSMEs have a very important role in national development, because they play a role in employment, economic growth and distribution of development. Therefore, the development of MSMEs needs to be carried out in an effort to improve the welfare of business actors and improve the welfare of the Indonesian people. The Ministry of Cooperatives and MSMEs (2021) stated that the contribution of Cooperatives and MSMEs in absorbing labor was 119.56 million people or 96.92% of the total workforce of 123.37 million people. The contribution of MSMEs to the National GDP is 60.51%. The number of MSMEs in Indonesia has increased from 64.19 million units in 2018 to 65.46 million in 2019.

Dhewanto *et al.* (2019) said that the main problem for MSMEs in Indonesia is low productivity, resulting in a very wide gap between micro, small, medium and large business actors. Data from the Central Bureau of Statistics (CBS, 2015) on the basis of constant 2000 prices, show productivity per business unit during the 2000-2013 period did not show significant progress, namely the productivity of micro and small businesses was still around IDR 4.3 million per business unit per year and medium enterprises of IDR 1.2 billion, meanwhile productivity per large business unit has reached IDR 82.6 billion. Likewise, the development of productivity per worker of micro and small and medium enterprises has not shown significant progress, namely around Rp. 2.6 million and Rp. 8.7 million respectively, while the productivity per worker of large businesses has reached Rp. 423.0 million. Such performance is related to: (a) the low quality of MSME human resources, especially in the areas of management, organization, mastery of technology, and marketing; and (b) low MSME entrepreneurial competency. Increasing the productivity of MSMEs is urgently needed to overcome inequality between business actors, between income groups and

between regions, including poverty alleviation, while at the same time encouraging increased national competitiveness

The results of research by Hamid and Susilo (2011) in Yogyakarta, research by Anggraeni *et al.* (2013) in Malang City found that the problems faced by MSMEs include: (1) Marketing; (2) Capital and financing; (3) Innovation and utilization of information technology; (4) Use of raw materials; (5) Production equipment; (6) Absorption and empowerment of manpower; (7) business development plan; and (8) Readiness to face the challenges of the external environment. Therefore, a strategy is needed to overcome them. To develop MSMEs, of course, it is not only borne by MSMEs themselves but must obtain the support of all stakeholders. Support is also expected to come from employers' associations, universities, and/or related agencies/agencies within the district/city and provincial governments. Besides that, government policies are needed that encourage the development of MSMEs (Ajija *et al.*, 2020; Nurulia, 2014).

The results of Alyas and Rakib's research, (2017) in Maros Regency, Putra's research (2015) in Jombang Regency found that in the context of developing MSME, various policies and strategies were recommended including: (1) Various trainings in product development that are more varied and oriented quality based on local resources; (2) Government support for the development of production processes by revitalizing more modern machines and equipment; (3) Development of highly competitive products with local characteristics; (4) Credit policies by banks with lower interest rates and simpler processes so that they will support the acceleration of the revitalization of the production process; (5) Improving the quality of physical and non-physical infrastructure to reduce distribution costs so that MSME products will have higher competitiveness; (6) Policy support for promotion development to export and domestic markets with more modern and varied media, (Alyas & Rakib, 2017; Sudyanti & Irwansyah, 2017).

MSMEs in Gowa Regency play a very important role and become the basis of people's economic development. This condition is shown by the number of MSMEs in Gowa Regency reaching 56,490 units (Gowa Regency Cooperatives and MSMEs Office, 2022). The number of MSMEs can be a potential as well as a threat to the economy of Gowa Regency. It is said so because whether or not the MSME develops will have an impact on the economy of Gowa Regency and the welfare of the community in particular. The Government of Gowa Regency, through the Office of Cooperatives and MSMEs, sees the large number of cooperatives and MSMEs as an opportunity to strengthen the economy based on the people's economy. Therefore, it is considered very important to outline strategies for developing MSMEs in Gowa Regency in the coming years.

The results of preliminary interviews with the staff of the Gowa Regency Cooperatives and General Affairs Office found that in efforts to develop micro, small, and medium enterprises in Gowa Regency, there are problems encountered, including (1) There is no detailed data on the number of business units, number of workers and performance on micro, small and medium enterprises in Gowa Regency. The performance in question is export capability, competitiveness, the contribution of added value and employment, labor productivity, and capital productivity, (2) There is no pattern and common reference in preparing programs for development purposes and the distribution of roles from the various related institutions involved in the development of Micro, Small and Medium Enterprises (MSMEs) in Gowa Regency, (3). The implications of these problems are that there is no conceptual, directed, and effective coaching system that guides the supervisory apparatus in developing micro, small, and medium enterprises in Gowa Regency, and (4) Coordination of coaching and synergy of coaching between regional apparatus organizations has not gone well. Therefore the research aims (1) to identify the potential strengths, weaknesses, opportunities, and threats faced in the development of MSMEs in Gowa Regency, and (2) to formulate strategies for developing MSMEs in Gowa Regency.

II. LITERATURE REVIEW

A. *The concept of Micro, Small, and Medium Enterprises*

Government Regulation Number 7 of 2021 concerns the Convenience, Protection, and Empowerment of Cooperatives and Micro Enterprises. Article 35 says that the Criteria for Micro, Small, and Medium Enterprises can be seen in Table I.

TABLE I: MSME CRITERIA ACCORDING TO GOVERNMENT REGULATION NO. 7, YEAR 2021

No	Description	Criteria	
		Asset	Sales turnover
1	Micro	Max 1 M	Max 2 M
2	Small	>1 M – 5 M	> 2 M – 15 M
3	Middle	>5 M – 10 M	> 15 M – 50 M

The World Bank divides MSMEs into three types (Japhta *et al.*, 2017), namely:

- a. Medium Enterprise, with the following criteria:
 - 1) Maximum number of employees of 300 people,
 - 2) Annual income of up to \$ 15 million, and
 - 3) Total assets of up to \$ 15 million
- b. Small Enterprise, with the following criteria:
 - 1) The number of employees is less than 30 people,
 - 2) Annual income does not exceed \$ 3 million, and
 - 3) Total assets do not exceed \$ 3 million
- c. Micro Enterprise, with the following criteria:
 - 1) The number of employees is less than 10 people,
 - 2) Annual income does not exceed \$ 100 thousand, and
 - (3) Total assets do not exceed \$ 100 thousand.

B. MSME Development in Indonesia

Along with economic progress with all social problems, society is very dependent on the progress of the development of Micro, Small, and Medium Enterprises (MSMEs) based on local potential (Tambunan, 2009). MSMEs are businesses that have advantages in the ability to absorb a very large workforce (Bustam, 2016). So that the role of MSMEs not only increases economic growth but also contributes to overcoming the problem of unemployment in Indonesia (Sunariani *et al.*, 2017).

Facing the many obstacles in developing MSMEs, the government has an effective and optimal role as a facilitator, regulator, and catalyst in improving MSME performance (Romadhoni *et al.*, 2022). MSME development performance is influenced by marketing, technology, access to capital, access to information, social networks, legality, business plans, entrepreneurial readiness, and government support (Ratnawati & Hikmah, 2012). The same thing was conveyed (Kesumadinata & Budiana, 2012) that labor, working capital, and technology affect the performance of MSMEs in footwear. According to Sudiarta *et al.* (2014), MSME performance factors include marketing, access to capital, legality, entrepreneurial skills, human resources, financial knowledge, business plans, social networks, government support, coaching, technology, and access to information. Meanwhile, Munizu (2010) argues that the performance of SMEs is influenced by two factors, namely internal and external factors. Internal factors include human resources, finance, production, market, and marketing. While external factors include aspects of government policy, socio-cultural and economic aspects, as well as aspects of the role of related institutions (Mokhamad & Hartono, 2011).

Data from the Ministry of Cooperatives and MSMEs (2021) shows that in 2019 the number of MSME businesses in Indonesia amounted to 65,465,497 units or as much as 99.99% of the total existing businesses. Besides that, MSMEs also absorb 119,562,843 workers, or 96.62% of the total existing workforce. Meanwhile, in terms of gross domestic product (GDP), micro and small businesses contributed 9,580,762.70 billion or 60.51% of GDP.

C. SWOT analysis

Akhmad (2018) said that in an effort to develop business (including micro and small industries), it was initially determined by the ability to identify production management (methods and teamwork) on the company's internal factors (strengths and weaknesses) and external factors (opportunities and threats) through a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats). With this analysis, stages such as assessing the situation, determining goals, and deciding (selection and evaluation of activities) are obtained. Basically, all companies certainly have advantages and disadvantages in the functional area of business. SWOT analysis is a strategic planning technique that is divided into two factors, namely external factors and internal factors. Factors originating from outside or external play a role in monitoring the micro and macroeconomic environment through opportunities and threats related to the organization, while the internal factors are strengths and weaknesses to evaluate company strengths and weaknesses (Kotler & Armstrong, 2012).

The use of a SWOT analysis must be carried out as realistically as possible to produce an objective assessment. Companies also need to maintain assessments and define clear boundaries so as not to generate ambiguous and multiple interpretations. Gürel and Tat (2017) said that SWOT analysis compares strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are reviewed to identify current and future opportunities and threats. The clearer the knowledge of strengths and weaknesses, the smaller the opportunities that are not achieved. Good opportunities can be used to fight threats, such that weaknesses can be overcome through company strengths (David, 2011).

Rangkuti (2004) states that SWOT analysis is defined as an evaluation of the overall strengths, weaknesses, opportunities, and threats. SWOT analysis based on logic can maximize strengths and opportunities but simultaneously minimize weaknesses and threats.

III. RESEARCH METHODS

The research was conducted in Gowa Regency, South Sulawesi Province. Data were obtained through in-depth interviews with cooperative and MSME staff in Gowa Regency, and MSME entrepreneurs in Gowa Regency. In addition to interviews, Focus Group Discussions (FGD) were also conducted, especially with the Office of Cooperatives and MSMEs in Gowa Regency, which are related to conditions and strategies for developing MSMEs in Gowa Regency.

A. Descriptive Analysis

Moleong (2007) in conducting data analysis there are three flows of activities carried out, namely:

- a. Data reduction, this stage is a selection process, giving focus on things that are considered important by updating the raw data encountered during research in order to determine information according to research problems. Reduced data will provide a clear picture so that it is easier for researchers to carry out further data collection if necessary.
- b. Presentation of data, at this stage, is an organized arrangement of information that is easy to understand and allows drawing conclusions and taking action.
- c. Conclusion Drawing, the final stage of this analytical method is a review back on the data or information obtained from the research so that the conclusions made are verified. an overview of the three flows can be seen in Figure 3.1 below (Afifuddin & Saebani, 2009; Hamidi, 2010; Miles & Huberman, 1992; Saryono, 2010)

B. SWOT Analysis

SWOT analysis aims to systematically identify various factors in formulating MSME development strategies in Gowa Regency. This analysis is based on logic that can maximize strengths and opportunities, and minimize weaknesses and threats. Analysis of the internal situation combined with the external situation will produce several alternative strategies for the development of MUM in Gowa Regency.

IV. RESULTS AND DISCUSSION

A. Identification of Cooperative and MSME Development Problems in Gowa Regency

Micro, small, and medium enterprises (MSMEs) in Gowa Regency have great potential to improve the living standards of the people of Gowa Regency. The problem that is still being faced is low productivity, causing a very wide gap between small, medium, and large business actors. Such performance is related to (a) the low quality of human resources involved in MSMEs, especially in mastering technology, marketing, management, and organization, and (b) the low entrepreneurial competence of MSME actors. Increasing the productivity of MSMEs is urgently needed to overcome inequalities between actors as well as encourage increased competitiveness both locally and nationally. The findings are in line with Niode (2009), which examines the Problems and Strategies for Empowering MSMEs in Indonesia.

The main weakness of MSMEs today is the limited productive resources, especially access to capital, market information, production technology and marketing. To obtain funds, most of the services of financial institutions are still in the form of working capital loans, and the amount of investment is very limited. This condition is difficult to increase capacity because, in addition to the requirements for obtaining a loan, it is also not easy to fulfill, such as the amount of collateral; even though the business is feasible, this finding is in line with Kurniawan and Fauziah (2014), which examine the empowerment of MSMEs in poverty alleviation.

On the other hand, mastery of technology, management, information, and markets is still far from sufficient and requires relatively high costs to be managed independently by Cooperative and MSME actors. Meanwhile, the role of higher education institutions, the community, and the business world in serving cooperatives and MSMEs has also not developed because services to MSMEs are still considered less profitable.

The unfavorable business climate in general still faces various problems related to unfavorable business climate, including (a) licensing procedures that result in high transaction costs, it is necessary to arrange both in terms of cost and time; (b) business practices and business competition are not well organized; and (c) weak cross-agency coordination in empowering MSMEs, this finding is in line with the findings (Suriyani *et al.*, 2023).

B. SWOT Analysis

SWOT analysis is intended to determine internal factors in efforts to develop MSMEs in Gowa Regency, where the internal factors referred to include the strengths and weaknesses that have occurred so far in the development of MSMEs in Gowa Regency. Apart from internal factors, external factors will also be described, which include opportunities and challenges in developing MSMEs in Gowa Regency.

1) Internal Factors

a) Strengths (S)

Until the end of 2022, the number of MSMEs in Gowa Regency, as recorded by the Cooperatives and MSMEs office, was as many as 53,045 business units, consisting of 49,600 micro businesses, 3,179 small businesses, and 266 medium businesses, an average increase of 5% per year. This year is the main force in the development of SMEs. Both local government support for MSME development is very high, marked by the vision and mission of the Gowa Regency government in the economic sector, especially for MSMEs to jointly restore the strength of MSMEs towards national economic recovery in Gowa Regency. Therefore, the government of Gowa Regency really wants MSMEs in Gowa Regency to be competitive, more independent, and reliant on developing regional potential and able to increase productivity in encouraging the realization of economic independence through the provision of quality and digital-based products.

b) Weaknesses (W)

The main weakness is that the UMKM Database in Gowa Regency is still not fully updated and detailed. The Gowa Regency Cooperatives and UMKM Service are fully aware that the existing UMKM data only describes the number of UMKM in Gowa Regency, while the types of businesses, such as food crop agriculture, plantation business, livestock business, trading business, industrial business, and other businesses have not been well recorded, as well as the business location of each MSME in Gowa Regency which has not been fully recorded properly. Second, data on the development of MSMEs, in terms of data on the number of MSMEs that go up a grade every year, in terms of the number of micro-enterprises that go up to become small businesses, the number of small businesses that go up to become medium-sized businesses and the number of medium-sized businesses that go up to become big businesses are not yet available at the Dinas. Gowa Regency Cooperatives and SMEs. The third is the coordination of MSME development by each Regional Apparatus Organization (OPD), banking, and State-Owned Enterprises (BUMN), which are not well coordinated. Fourth, there are still limited resources in facilitating and developing Microfinance Institutions (LKM), and fifth, there is no MSME training center to improve the qualified skills and knowledge of these business actors.

2) External Factors

a) Opportunities (O)

The first is the district government policy which strongly supports MSME development. This is reflected in the Vision of the elected Gowa Regent for 2021-2026, namely: Improving the Regional Economy Based on Leading Potential and the People's Economy. MSMEs, as the main actors in the economy of Gowa Regency, are expected to play an active role in improving the community's economy by developing economic potential, especially those based on local natural resources in Gowa Regency. Both natural resources have the potential to be developed in Gowa district, with an area of 1,883.32 km² or 3.01% of the total area of South Sulawesi Province. Gowa Regency is divided into 18 Districts with a definitive number of 169 Villages/Kelurahan. Gowa Regency has quite a large natural resource potential, such as a large mining area and Bili-bili dam, the food and horticulture sector, plantations, fisheries, and animal husbandry. This great potential is a very strategic initial capital to be managed and developed in order to increase people's income while at the same time increasing regional income. Third, product standardization, standardization, and conformity assessment are the tools to create fair and transparent business competition because standardization will improve quality, production efficiency, and expedite trade transactions. Therefore, MSMEs in Gowa Regency are expected to produce products that meet standards and suitability. This needs to be continuously socialized within the scope of MSMEs in an effort to increase the competitiveness of their products, and the fourth position of Gowa Regency as part of the Mamminasata development area is one of the metropolitan areas in Indonesia. This area includes Makassar City and its buffer areas such as Maros, Gowa, and Takalar Regencies. The population of the Mamminasata area is estimated to have a population of more than 3 million by the end of 2022.

b) Threats (T)

The main challenge faced is the structure and unbalanced business competition. The Business Competition Commission (KPPU) said that it would push for market reforms so that there would be a balance between large and small entrepreneurs. It is trying to encourage the occurrence of market reforms with a number of policies. New business actors must appear in every region throughout Indonesia, every sector and commodity, to make the business structure in Indonesia balanced so that new players emerge in

every strategic commodity. Second, regulations from the central government often change. In recent years, it can be seen that regulations from the central government have changed a lot both related to business licensing, cooperatives, and MSMEs as well as Village-Owned Enterprises (BUMDes), investment, employment, fiscal facilities, spatial planning, land and land rights, environment, construction and housing, economic zones, and so on. Third, the entry of products from Java Island and abroad which are more competitive, it is undeniable that imported products, both from Java Island and from abroad, these products cover almost all sectors, starting from the agricultural sector, especially products from agricultural crops, and food, fisheries, plantations, and livestock, especially with industrial production. This is a challenge for MSMEs in Gowa Regency. Fourthly, dependence on raw materials from Java and imports. Several MSME products in Gowa Regency have a high degree of dependence on raw materials from Java and abroad, such as convection, pharmaceuticals, and several other businesses where the main raw materials are highly dependent on the island. Java and Import.

TABLE II: SWOT MATRIX

		<i>Strengths (S)</i>	<i>Weaknesses (W)</i>
<i>Internal factors</i>		1. Increasing number MSMEs 2. Government Support Regions towards the development of cooperatives and SMEs are very high	1. The <i>MSMEs</i> database is still not fully updated and detailed 2. Development Coordination <i>MSMEs</i> by each OPD have not been well coordinated 4. Still limited resources in facilitating and developing MFIs 5. There is no center yet <i>MSME</i> training
	<i>External Factors</i>		
<i>Opportunities (O)</i>	<i>S-O Strategy</i>	<i>W-O Strategy</i>	
1. District government policies and support that strongly support <i>MSME</i> development 2. Existing natural resources enough potential to be developed 3. Standardization of national products 4. Position of Gowa Regency as part of the Mamminasata development area	1. Improving <i>MSME</i> product standardization 2. Improve skills and <i>MSME</i> Business Management	1. Improving HR capabilities in the <i>MSME</i> sector 2. Increase reinforcement <i>MSME</i> business management	
<i>Threats (T)</i>	<i>S-T Strategy</i>	<i>W-T Strategy</i>	
1. Unbalanced business structure and competition 2. Government regulations center that changes frequently 3. Entry of products from the island Java and abroad are more competitive 4. Dependence on raw materials from Java and imports	1. Increase the entrepreneurial spirit 2. Increasing the productivity of <i>SMEs</i> 3. Increasing competitiveness <i>MSME</i> products	1. Improving the <i>MSME</i> cooperation network. 2. Improving <i>MSME</i> product quality standards	

C. Strategy for Development of Micro, Small and Medium Enterprises

1) Strength-Opportunity (S-O) Strategy

First, *MSME* products can be globally competitive by requiring product packaging development, standardization, and certification so that *MSME* products in Gowa Regency have high selling value. Thus, the role of the Indonesian National Standard (SNI) needs to be socialized to *MSMEs* in Gowa Regency, so that the products produced by *MSMEs* have high economic value and have competitiveness both domestically and abroad. Second, increasing the strengthening of *MSME* business management in an effort to improve market access, business competitiveness, and access to finance and investment. To encourage *MSMEs* to be more advanced and developed, *MSMEs* in Gowa Regency need to (1) increase the business capacity and competency of *MSME* actors, (2) friendly financial institutions for *MSMEs*, and (3) carry out cross-sectoral coordination to support the KUKM ecosystem.

2) Weakness-Opportunity (W-O) Strategy

Firstly, increasing human resource capabilities in *MSMEs*. Data from the Gowa Regency Central Statistics Agency for 2021 (BPS, 2021) noted that out of 368,615 workers in Gowa district, 141,812 workers (38.47%) had only elementary school education or below, followed by; high school and equivalent amounted to 105,681 (28.67%), then academies and tertiary institutions amounted to 62994 (17.09%), and junior high school and its equivalent amounted to 58128 (15.77%). Therefore, increasing the capacity of Human Resources (HR) in the field of cooperatives and *MSMEs* needs to be continuously carried out.

Strengthening human resources is needed to increase competitiveness as capital for business development. Second, increasing the strengthening of MSME business management, as we understand that the key to MSME success lies in understanding business management. Therefore, it is necessary to continue to support efforts to develop community business management, because MSMEs are accelerators of economic growth and must be able to become comfortable homes and shelter MSME actors in Gowa Regency.

3) *Strength-Threat (S-T) Strategy*

First, increasing the entrepreneurial spirit, incompetence in competition and the low level of management of entrepreneurial behavior is a challenge for MSME actors in Gowa Regency to be able to grow and develop towards business independence. On the other hand, there is a need for MSME growth based on entrepreneurial values in the hope of being able to shape the behavior of small businesses in increasing economic growth. Therefore it is necessary to have a strategy to empower MSMEs towards business independence with an approach to the entrepreneurial spirit, entrepreneurial values and entrepreneurial behavior. Therefore, entrepreneurship training for MSMEs in Gowa Regency needs to be carried out to increase the competitiveness of MSMEs in Gowa Regency in the future. Second, the productivity of MSMEs in Gowa Regency generally has low productivity compared to MSMEs in Java, especially when compared to large businesses. Therefore, the government of Gowa Regency needs to increase the productivity of MSMEs. Efforts to increase productivity can be carried out by conducting training to improve the skills of existing MSME actors. Third Facing local and international company competition, the development of MSMEs in Gowa Regency is currently increasing. Shows that this business is able to maintain its business in a crisis situation. The Gowa Regency Government has encouraged MSME development because this sector has succeeded in creating jobs. The successful development of MSMEs is useful for facing high competition at the national and global levels so that MSMEs must be able to face global challenges. This needs to be done to increase their role in driving the pace of post-pandemic economic growth, when large companies are experiencing difficulties in developing their businesses. Currently, MSMEs have contributed greatly to regional income and national income.

4) *Weakness-Threat (W-T) Strategy*

First, with the opening of the ASEAN Economic Community (AEC) along with a free trade agreement (Free Trade Agreement) between countries in ASEAN, it has opened opportunities for MSMEs to enter new markets. However, Indonesian MSMEs must improve product quality to be able to compete in the ASEAN market and more broadly in the world market. Because MSMEs in Gowa Regency must also make careful preparations. Conceptually, competitiveness is divided into two, namely competitive advantage and comparative advantage. Both of these concepts are essentially concepts of advantage based on the ability to shift the supply curve to the right as a means of lowering prices. It's just that the concept of competitive advantage and the ability to reduce prices is not the only way, but must be followed by various other related strategic aspects, both in terms of production, consumption, market structure and the conditions of the industry itself. To produce competitive MSMEs, there are five competitive priority components, namely Cost, Quality, Flexibility, Delivery and Innovation. Second, increasing the quality standards for MSME products. In general, the problems in implementing quality standards by MSME actors are; they carry out quality control only based on experience, unstructured work processes, then no documented work guidelines. This was also found in several MSMEs in Gowa Regency. In order to face increasingly fierce competition, it is hoped that MSME actors in Gowa Regency will be able to continue to develop, one of the efforts that can be made is through the application of good quality standards.

V. CONCLUSION AND RECOMMENDATIONS

A. *Conclusion*

1. The results of the study show that the strengths possessed by MSMEs in Gowa Regency are increasing community interest in doing business and local government support for MSME development. Weaknesses faced include coordination of coaching by each Regional Apparatus Organization (OPD) and the absence of a training center. While opportunities for MSME development include: the availability of natural resources and the position of Gowa Regency which is directly adjacent to the city of Makassar as the provincial capital. Furthermore, the challenges faced include more competitive entry of products from Java and abroad, as well as dependence on raw materials from Java and imports.

2. The strategy for developing micro, small, and medium enterprises in Gowa Regency is carried out, among other things, by creating a healthy business climate for MSMEs with the aim of facilitating the establishment of a healthy, economical and efficient and non-discriminatory business environment for the continuity and improvement of MSME business performance in the Regency Gowa.

3. The strategy for developing micro, small and medium enterprises in Gowa Regency can be carried out by implementing a SWOT strategy, namely a strategy by optimizing the opportunities and strengths they

have, then also carrying out a strategy of maximizing opportunities and using weaknesses, besides that it is necessary to apply a strategy of maximizing strengths and reducing threats, as well as strategies to reduce threats and minimize the weaknesses of UUM in Gowa Regency.

B. Recommendations

1. In recent years, the coordination of MSME development in the district has not gone well. In the sense that each regional Apparatus Organization carries out its own guidance. Therefore, in order for the coordination of MSME development to run well and harmoniously, it is necessary to establish a regional apparatus organization as the leading sector in coordinating MSME development so that MSME development is not individual.

2. In order to better introduce MSME products in Gowa Regency to the wider community, it is deemed necessary to create a marketing network for Cooperative and MSME products based on E-marketing, for this the Gowa district government, through the Office of Cooperatives and UMKM is expected to be able to build a marketing site (E -Marketing) products of cooperatives and MSMEs as a forum for Cooperatives and MSMEs to market their products on-line, so that MSME products in Gowa district can be recognized more widely in the community both locally, nationally and internationally.

3. One of the fundamental weaknesses found in the research, namely its weakness MSME human resource capacity in the form of: skills, organization, management, and networks. In order to increase the competitiveness and capacity of MSME Human Resources in Gowa Regency, it is deemed necessary to build a center for training and Cooperative Development and MSME in Gowa Regency.

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