

The Effectiveness Implementation Strategy Of The Micro, Small And Medium Enterprises (MSMEs) Policy by Postering A Business Climate For Songket Craftsmen in Ogan Ilir Regency

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stakeholders

Abstract

The policy of Indonesia in developing Micro, Small and Medium Enterprises (MSMEs) is designed by the government to grow and develop businesses, especially for economically weak communities in order to create jobs, utilize resources, and increase income for the community. In 2017, MSMEs contribute 57.60% to the Gross Domestic Product (PBD) and employ around 97% of the entire national workforce. However, the development of the policy has not been evenly distributed through all of the city and regency in Indonesia. Based on preliminary research (Ermanovida, 2016-2019) in Ogan Ilir Regency, there were many problems related to policies and community empowerment which resulted in ineffective OI government policy strategy. One of the handicraft MSMEs that provides the greatest input for PAD in Ogan Ilir Regency is songket cloth. By using a combined quantitative and qualitative research design, it is known that the ineffectiveness of this strategy is due to the ineffectiveness of the strategic elements of policy and the lack of understanding of the apparatus towards policy objects that have technological variations and the closeness of traditional network relations in the production and marketing of songket cloth.

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Introduction

This article is based on the results of an ongoing research study in the Sriwijaya University's 2020 Competitive Leading research program entitled " The Effectiveness Implementation Strategy Of The Micro, Small And Medium Enterprises (MSMEs) Policy by Postering A Business Climate For Songket Craftsmen in Ogan Ilir Regency ".

The MSMEs policy is designed to grow and develop community businesses so that it plays a very important role in job creation, resource utilization and income for the majority

of the community. During the period 2016 to 2017 there was a development of MSMEs with a growth of 1,271,440 MSMEs or 2.06% (Ministry of Cooperatives and MSMEs, 2018). MSMEs contribute 57.60% to Gross Domestic Product (PBD) with employment of around 97% of the entire national workforce (MSME Business Profile by LPPI and BI, 2015). However, even though the number of MSMEs has increased and contributed quite a lot to the problems of welfare and community justice, it has not been achieved equally.

Improvements in economic policies in all sectors including MSMEs have become a central issue in national industrial growth in order to maintain the business climate, competitiveness and investment. The number of production and marketing problems related to policies and community empowerment, especially the Micro, Small and Medium Enterprises sector, and policies issued by the Office of Cooperatives, MSMEs, Industry and Trade of Ogan Ilir Regency have not specifically sided with MSMEs craftsmen. In Ogan Ilir District, there is no specific policy for MSMEs in accordance with the mandate of the Basic Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises, Article 7 paragraph (1) and Government Regulation Number 17 of 2013.

Based on research conducted by Ermanovida et al. 2016 concerning the implementation of policies on empowerment of local culinary businesses in Ogan Ilir Regency (Ermanovida, 2016)

and research conducted by Marpaung et al. 2016 concerning the implementation of the Songket MSMEs Community Program Policy in Ogan Ilir Regency from well-formulated strategies that can be executed effectively. Based on Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises, Article 7 paragraph

(1) states that: The Government and Local Governments foster a business climate by establishing laws and regulations and policies covering the following aspects:

Funding;

Facilities and infrastructure;

Business information;

Partnership;

Business licensing;

Business opportunity;

Trade promotion; and

Institutional support.

However, in its implementation it is not clear that the specific policy of the Ogan Ilir Regional Government is related to the aspects of the MSME business climate in developing the business of craftsmen in Ogan Ilir Regency, even though in Government Regulation Number 17 of 2013 concerning Implementation of Law Number 20 concerning Micro, Small and Medium Enterprises, article 55 paragraph (4a) states that the regent / mayor in empowering Micro, Small and Medium Enterprises has the task of compiling, preparing, stipulating, and / or implementing general policies in regencies / cities regarding the growth of business climate, business development, financing and guarantees. , and partnerships.

This situation is interesting to study in order to obtain a clear picture of the policies carried out by the Ogan Ilir Regency Government for the development of Micro, Small and Medium

Enterprises in Ogan Ilir Regency so that the government is known for the policies needed to create a proactive business climate for all MSMEs in Ogan Regency. Ilir and influences the economic growth of Ogan Ilir Regency.

Methods

This research was conducted using descriptive methods. Data processing was carried out qualitatively and quantitatively with SWOT analysis through IFAS and EFAS. SWOT analysis is used to find alternative policy strategies for empowering MSMEs. The focus of research is on the types of benefits to be generated, the degree of change desired, the position of policy makers, program implementers, the resources generated, the power, interests and strategies of the actors involved, characteristics of institutions and authorities, and compliance and responsiveness.

Quantitative data is obtained by paying attention to the research requirements, namely:

Group / Individual.

Ordinary Yarn / Silk Thread.

Modern motifs / traditional motifs

Table 1. The distribution of respondents in 4 Districts who have Songket Craftsmen in Ogan Ilir Regency, South Sumatra in 2020

NO.	DISTRICT	CHARACTERISTICS	POPULATION	SAMPL E
1.	Inderalaya (city)	Individuals, Silk Threads, Modern Motif	79	20
2.	Inderalaya Selatan	Individu, Thread Ordinary, Traditional Motif	35	9

3.	Pemulutan	Group, Ordinary Yarn, Traditional	62	15
		Motif		
4.	Tanjung Batu	Group, Silk Threads, Modern Motif	139	35
		Jumlah	315	79

Source: obtained from primary data

Note : $315 \times 25\% = 78,75$

Results and Discussion

Implementation Strategy

An implementation strategy can be defined as a method or technique used to increase the adoption, implementation and sustainability of a program or practice (Curran, 2012). Merilee S. Grindle (in Subarsono, 2011: 93) says that the success of a public policy implementation is influenced by two major variables, namely the content of policy and the context of implementation. These variables include: the extent to which the interests of the target group or target group are contained in the content of the policy, the types of benefits received by the target group, the extent to which changes are desired from a policy, whether the location of a program is appropriate, whether a policy has stated its implementer in detail, and whether a pro To achieve a policy, of course, a strategy is needed.

Strategy as a broad basic plan of an organization's actions to achieve a goal. Plans to achieve these goals include the external and internal environment of the organization that is empowered to achieve competitive advantage. Therefore, a strategy is an integrated plan in the form of integrated and comprehensive programs to achieve the objectives of policy implementation. Implementation strategies are complex inherited social interventions, because they discuss multifaceted and complex processes in an interpersonal, organizational, and community context (Alexander, 2012: 56-58). The implementation strategy must be able to

address the possibility of multiple service systems, sectors, care, and practice settings, as well as the human resource challenges of excellent staff training and support.

The limitations of the local government of Ogan Ilir Regency include limited human and financial resources, placing investors or private parties in an indispensable role to create and also develop facilities and infrastructure in the development of MSMEs. Therefore, a partnership between government and non-government or private organizations, better known as Collaborative Governance, is needed. According to Ansell and Gash (2007: 22) that Collaborative governance is: "A governing arrangement where one or more public agencies directly engages non-state stakeholders in a collective decision-making process that is formal, consensus-oriented, and deliberative and that aims to make or implement public policy or manage public programs or assets". Collaborative governance is a series of arrangements in which one or more public institutions directly involve non-state stakeholders in a formal, consensus-oriented and deliberative policy-making process aimed at making or implementing public policies or regulating public programs or assets).

According to Wanna (2008) that the stages of collaborative governance can be started from the following stages:

Building a Common Vision (Shared vision); Every organization or community group that has the same interest in achieving certain goals must be based on a clear and challenging vision of the future.

Participative; The involvement of stakeholders in the management of MSMEs requires a clear structure. Active participation is an absolute prerequisite for the governance process to take place. After building a shared vision among stakeholders, each component will carry out voluntary participation without being ordered.

Network (Network); After the active participation of stakeholders, there is a need for a strong network among stakeholders to create a good relationship. Networking has been widely

recognized by both academics and practitioners as an important form of multi-organizational governance.

Partnership (Partnership); The highest phase of collaboration is the establishment of partnerships between stakeholders involved in MSME affairs. The concept of collaboration which shows the scale and level of intensity, as a continuation of participation will create a partnership.

The local government, especially Ogan Ilir Regency, has implemented various programs, especially for MSMEs, but these programs are not carried out alone because of limitations both in terms of budget, skills, human resources (HR) and facilities and infrastructure. Thus it is important for local governments to collaborate or partner with other actors, namely the private sector (private) and the community.

Taiwo et al. (2013) and Bhasin & Venkataramany (2010) state: MSME policies tend to be made to promote the development of MSMEs while entrepreneurial policies are intended to encourage people to do business. Entrepreneurship is influenced by a variety of external factors such as social, cultural, political and economic. For this reason entrepreneurial policies are directed at influencing the social and cultural context of entrepreneurship.

Alternative Strategy for Songket Craftsmen Policy

The research statistical hypothesis proposed is:

H0: the independent variable partially does not have a significant effect on the dependent variable

H1: the independent variable partially has a significant effect on the dependent variable.

Statistical test results show:

The sig value of the power, interest, and actor strategy variables = 0.018 <0.05 so that H0 is rejected, which means that this independent variable partially has a positive and significant effect on variable Y. The higher X1, the higher Y. And vice versa.

In the table above, the sig value of the type of benefit generated = 0.000 <0.05 so that H0 is rejected, which means that this independent variable partially has a positive and significant effect on variable Y. The higher X2, the higher Y. And vice versa.

In the table above the sig value of the resulting Resource variable = 0.000 <0.05 so that H0 is rejected, which means that this independent variable partially has a positive and significant effect on variable Y. The higher X3, the higher Y. And vice versa.

In the table above the sig value of the program implementing variable = 0.025 <0.05 so that H0 is rejected, which means that this independent variable partially has a positive and significant effect on variable Y. The higher X4, the higher Y. And vice versa.

While the variables of compliance and responsiveness, position of policy makers, the degree of change desired, and characteristics of institutions and authorities > 0.05 so that H1 is rejected, which means the independent variable partially does not have a significant effect on the dependent variable.

Therefore the estimation equation is:

$$Y = 2,416 + 1,634 * X1 + 1,224 * X2 + 1,576 * X3 + 1,474 * X4 + e$$

If X1 increases by one unit, and X2, X3 and X4 remains, then Y will increase by 1,634 units.

If X2 increases by one unit, and X1, X3, and X4 remain, then Y will increase by 1,224 units,

If X3 increases by one unit, and X1, X2 and X4 remain, then Y will increase by 1,576 units,

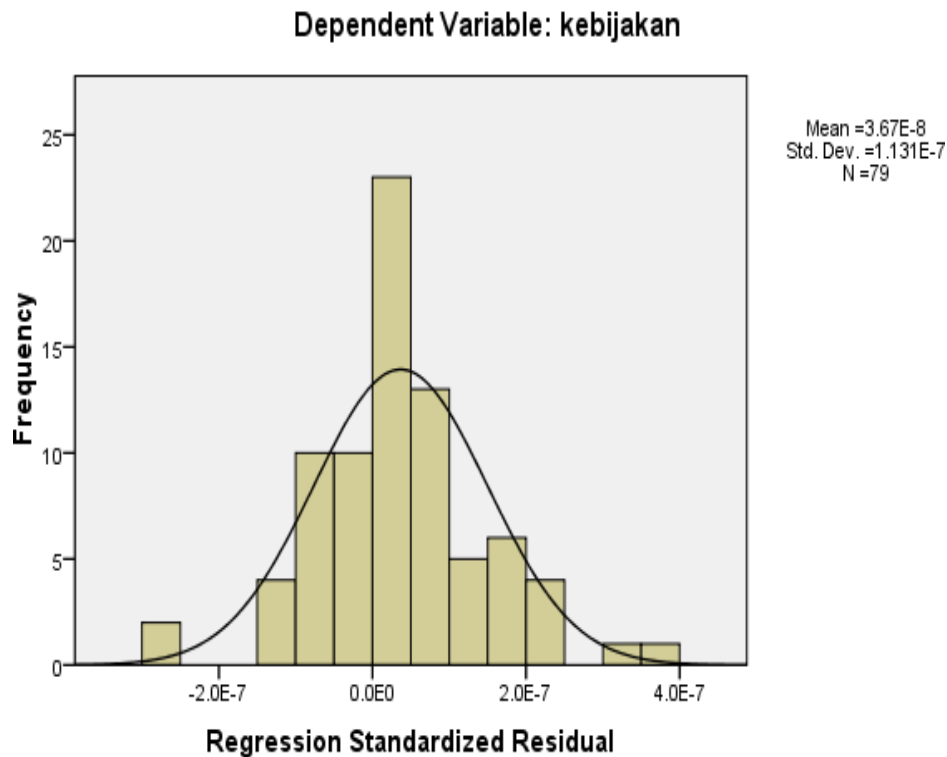
If X_4 increases by one unit, and X_1 , X_2 and X_3 remain, then Y will increase by 1,474 units,

The results of the statistical test show that X_1 has more effect on Y than X_2 , X_3 and X_4 , because the regression coefficient X_1 is higher than the regression coefficient X_2 , X_3 , and X_4 . If X_1 , X_2 , X_3 and X_4 are zero, then the Y value is equal to the constant a , which is 2.417.

This means that the power, interests and strategies of actors are more influential than the types of benefits generated, the resources generated, and the program implementers. The signal that we can translate from this result is that the existence of the government and the strategy it implements greatly influences the success of the policy in achieving the set targets. The approach of the officials as policy implementers plays an important role in the compliance of the craftsmen in carrying out the program of activities planned by the government, because their function is to move the degree of program benefit and the capacity of the resources produced and program implementation.

The regression test carried out produces the following image:

Histogram



Source: obtained from primary data

Picture 1. Histogram of the regression test

The results of the SWOT analysis show that the general strategy and the explanation of the strategic direction:

- Total strength score: 3.15
- Total weakness score: -1.88
- Total opportunities score: 3.90
- Total threat score: -1.94

The determination of policy position can be described as the following SWOT matrix:

		Opportunities	
Weaknesses	Strengths	4	
	Weaknesses	3	

Source: obtained from primary data

Picture 2. The determination of policy position SWOT Matrix

In addition, the coordinates of the image are as follows:

Internal Analysis coordinate: (Total strength score - Total weakness score) / 2 =

$$(3.15 - 1.88) / 2 = 0.635$$

Coordinate of External Analysis: (Total chance score - Total threat score) / 2 =

$$(3.90 - 1.94) / 2 = 0.98$$

The coordinate point is located at (0.635; 0.98)

The results of the calculation of each kaudrant can be described in the following table:

Table 2. Calculation of each kaudrant

Quadrant	Position Matrix	Area Matrix	Ranking	Strategy Priority
I	(3,15;3,90)	12,28	1	Growth
II	(-1,88;3,90)	-7,33	3	Stability

III	(-1,88:-1,94)	3,64	2	Combination
IV	(3,90:-1,94)	-7,56	4	Contraction

Source: obtained from primary data

Table 3. SWOT ANALYSIS: SPAS

SPAS FACTOR	QUALITY	RATING	SCORE	DESCRIPTIO
				N
				DURATION
				POLICY
1. Partner (S)	0.25	4	1.00	Long Term
2. Evaluation and supervision of coaching (W)	0.25	1	0.25	Medium Term
3. Trade and marketing management (O)	0.25	4	1.00	Long Term
4. Facilities and Infrastructure (T)	0.25	1	0.25	Medium Term
total	1.00		2.50	

Source: obtained from primary data

The position of the MSMEs policy in Ogan Ilir Regency is in the position of quadrant 1, where quadrant 1 is the largest weight among the other quadrants. This explains that the strategy given by the Ogan Ilir District Industry, Trade, Cooperatives and SME Service is Progressive. This means that the organization is in prime and steady condition so that it is possible to continue to expand, increase growth and achieve maximum progress by implementing strategies:

1. Partner development for songket craftsmen,
2. Conduct evaluation and supervision of development,
3. Organize and manage trade and marketing of songket craftsmen.
4. Supporting facilities and infrastructure for songket craftsmen.

Conclusion

The results of this study indicate that the existence of the government and the strategy it implements greatly influences the success of the policy in achieving the set targets. The approach of the officials as policy implementers plays an important role in the compliance of the craftsmen in carrying out the program of activities planned by the government, because their function is to move the degree of benefit of the program and the capacity of the resources produced and program implementation.

In implementing policies to foster a business climate for songket craftsmen in Ogan Ilir Regency, the Office of Industry, Trade, Cooperatives and MSMEs of Ogan Ilir Regency should implement a progressive strategy, namely expanding by increasing growth and achieving maximum progress by carrying out a strategy that includes the development of partners. songket craftsmen, conduct evaluation and supervision of coaching, organize and make trade management and marketing of songket craftsmen, and support the facilities and infrastructure of songket craftsmen.

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