Published by University of Muhammadiyah Makassar

DOI: 10.26618

e-ISSN 2686-5467 | p-ISSN 1858-2192

Balance: Jurnal Ekonomi

journal homepage: https://journal.unismuh.ac.id/index.php/jeb

Analysis of the Development of Micro, Small and Medium Enterprises (MSME) at the Gowa Regency Industry and Trade Service

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ARTICLE INFO

Keywords
MSME Development; Government Support; Business Empowerment; Institutional Collaboration; Regional Economic Development.

Article History
- Received: 15 December 2025
- First Revision: 20 February 2026
- Second Revision: 05 April 2026
- Third Revision: 10 May 2026
- Accepted: 30 May 2026

ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in promoting regional economic growth, employment generation, and poverty reduction. However, many MSMEs continue to face structural challenges related to limited access to capital, inadequate managerial capabilities, weak marketing networks, and technological constraints. This study aims to analyze the effectiveness of MSME development programs implemented by the Department of Industry and Trade of Gowa Regency and identify the key factors influencing their implementation. A qualitative descriptive approach was employed using in-depth interviews, direct observation, and document analysis. Data were collected from government officials and selected MSME owners and analyzed through the interactive model of data reduction, data display, and conclusion drawing. The findings indicate that the department has implemented various development strategies, including entrepreneurship training, business mentoring, product promotion, marketing facilitation, business legality assistance, and technology support. These initiatives have contributed to improving entrepreneurial knowledge, managerial capacity, and market accessibility among MSME actors. Nevertheless, the effectiveness of these programs remains constrained by limited dissemination of information, unequal access to government support, insufficient digital competencies, inadequate financial literacy, and restricted access to business financing. The study demonstrates that sustainable MSME development requires stronger collaboration between government institutions, financial organizations, universities, and private-sector stakeholders to strengthen entrepreneurial capacity and business competitiveness. This research contributes to the MSME development literature by emphasizing that government intervention should be integrated with continuous capacity building, digital transformation, and institutional collaboration to achieve sustainable regional economic development.

1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) play an important role in the Indonesian economy. Through MSMEs, unemployment caused by the inability of the labor force to be absorbed into the formal job market can be reduced. MSMEs serve as the foundation of the people's economy. Therefore, they play a vital role in national economic development by expanding employment opportunities and providing broad economic services to the community. Micro and small enterprises have proven to be reliable economic safeguards during times of crisis through their ability to create jobs and contribute to state revenue through taxation. This strategic role and function can be further enhanced by positioning MSMEs as complementary business actors in supporting national economic development.

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Indonesia experienced an economic crisis that led to the collapse of the national economy. Many large businesses across various sectors ceased to grow, and some even stopped operating altogether, resulting in widespread bankruptcies during the 1998 economic crisis. However, during this period, MSMEs played a crucial role. They were able to survive and contribute to the recovery of the Indonesian economy amid the severe monetary crisis affecting various sectors.

Micro, Small, and Medium Enterprises (MSMEs) are business entities capable of generating substantial employment opportunities and providing diverse services to society. These enterprises help promote a more balanced distribution of income and improve community welfare, which in turn supports economic growth and maintains national stability.

Based on the 1945 Constitution of the Republic of Indonesia, regional governments are granted the authority to manage their own governmental affairs under the principles of regional autonomy and kinship. Regional governments are also encouraged to improve public welfare by enhancing public services, promoting regional development, and increasing regional competitiveness. This includes emphasizing fair competition, justice, equality, and recognition of the unique characteristics of each region within the framework of the Unitary State of the Republic of Indonesia.

As stated in Article 33 paragraph (1) of the 1945 Constitution, the national economy is organized as a collective endeavor based on the principle of kinship and mutual cooperation. Micro, Small, and Medium Enterprises (MSMEs) are one of the most important pillars of the national economy. With a spirit of independence, MSMEs possess significant potential to create prosperity and improve community welfare. Since the monetary crisis of 1997, MSMEs have played a crucial role as a driving force in the recovery of Indonesia's national economy.

MSMEs are generally categorized as marginal businesses that utilize relatively simple technology, operate with limited capital, have restricted access to credit, and tend to focus on local markets. Despite these limitations, MSMEs hold an important and strategic position in the national economy. First, their number is substantial and they are present across nearly all sectors of the economy. Second, they have considerable potential to absorb labor and create employment opportunities.

To support MSME activities, the government has implemented various policies aimed at providing assistance and encouragement so that MSMEs can continue to operate and develop sustainably. MSMEs have proven to make a significant contribution to Indonesia's economic growth and development. At the national level, the role of MSMEs demonstrates a consistent and rapid growth trend, particularly through the employment opportunities generated by the sector itself.

The performance of MSME development is influenced by several factors, including marketing, technology, access to capital, access to information, social networks, business legality, business planning, entrepreneurial readiness, and government support (Pattisahusiwa, 2021). Furthermore, MSME performance factors include marketing, access to capital, legality, entrepreneurial capabilities, human resources, financial literacy, business planning, social networks, government support, business mentoring, technology, and access to information.

According to Pattisahusiwa (2021), MSME performance is influenced by two main categories of factors: internal and external factors. Internal factors include human resources, finance, production, markets, and overall marketing activities. External factors consist of government policies, socio-cultural and economic conditions, and the role of supporting institutions and related organizations (Pattisahusiwa, 2021).

MSMEs are part of the small business sector established primarily through individual

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initiative. Many people perceive MSMEs as businesses that involve only certain stakeholders; however, MSMEs actually play a significant role in reducing unemployment in Indonesia. MSMEs contribute to addressing unemployment by utilizing local natural resources with economic potential and managing them effectively and comprehensively (Pattisahusiwa, 2021). According to Law Number 20 of 2008, the criteria for Micro, Small, and Medium Enterprises (MSMEs) are classified based on the amount of assets owned and the annual turnover generated by a business.

The increase in the number of MSMEs in Gowa Regency cannot be separated from the role of the government in supporting their development. One of the MSME groups in Gowa Regency plays an important role in developing MSME potential and serving as a bridge for product marketing carried out by its members, enabling them to compete with products from other countries. This is achieved through participation in training and development programs facilitated by the Gowa Regency Trade Office at no cost to participants.

The number of MSMEs operating in the creative industry sector in Gowa Regency has consistently recorded significant growth over the past several years. Nevertheless, their contribution remains relatively small when compared to the overall economic structure of Gowa Regency. The Gowa Regency Trade Office has implemented various strategies to improve and develop the local economy. These strategies include training and educational activities on sales systems, covering marketing through social media, conventional sales methods, and group-based marketing approaches. The primary objective is to enhance the economic welfare of the community, particularly MSME actors, especially those operating in neighborhood alleys and residential areas.

The activities of MSMEs are generally driven by three main objectives: (1) creating new employment opportunities, (2) promoting a more equitable distribution of income at both regional and national levels, and (3) reducing poverty. These objectives also highlight the challenges faced by MSMEs in Gowa Regency. Therefore, greater MSME empowerment is needed through long-term development programs that support the transformation of micro-enterprises into small enterprises and small enterprises into medium-sized enterprises (Pattisahusiwa, 2021).

This study was conducted to examine the extent to which the MSME Development Program implemented by the Department of Industry and Trade, in collaboration with cooperatives and small business organizations, contributes to the development of MSMEs in Gowa Regency. Through direct observation, the researcher identified the challenges and obstacles faced by MSME actors in Gowa Regency. In creating a favorable business climate, the government has introduced policies to support MSMEs that have established and developed their businesses. The number of registered business actors in Gowa Regency is approximately 63,000 MSMEs. However, many of them continue to face various challenges, including limited access to capital, inadequate human resources, production technology constraints, and difficulties in product promotion and marketing.

Furthermore, the integrated information services provided by the agency include market development initiatives and business licensing assistance. In principle, the licensing process is intended to be simple and accessible. However, in practice, numerous complaints are often heard regarding the complexity of procedures, the relatively high costs involved, and the lengthy processing times, all of which hinder MSMEs from expanding their businesses. As a result, many potentially competitive products struggle to survive in international markets due to the lack of access to appropriate distribution channels and market networks, ultimately limiting their circulation to domestic or local markets.

If these conditions are not addressed promptly, they may reduce the competitiveness of small enterprises. Consequently, products produced by emerging and small-scale

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businesses may lose market opportunities and face difficulties in achieving sustainable growth. These issues undoubtedly have implications for the economic well-being of the people of Gowa Regency. Although these are common challenges faced by MSMEs in many regions, if they continue to be neglected, the number of existing small enterprises may decline, and the natural resource potential available in Gowa Regency could eventually be utilized by individuals or businesses from outside the region.

Various flagship products produced by village- and subdistrict-based Micro, Small, and Medium Enterprises (MSMEs) have been promoted by the Family Welfare Empowerment Movement (PKK) Team of Gowa Regency at both regional and provincial levels. One such occasion was the exhibition held during the 49th Family Welfare Movement Unity Day (HKG-PKK) Celebration at the Provincial Level of South Sulawesi, which took place at the Four Points by Sheraton Hotel in Makassar. The Chairperson of the Gowa Regency PKK Team, Priska Paramita Adnan, showcased a range of superior local products, including handwoven sarongs, bamboo-woven bags, and various other handicraft products. In addition to bags and woven fabrics, the Gowa PKK also exhibited products such as roasted coconut, honey, moringa tea, pull-apart bread, coffee, and other locally produced goods.

The Department of Trade of Gowa Regency plays a highly significant role in addressing issues related to domestic products and preparing local businesses to face global competition, particularly regarding product readiness and community preparedness. Therefore, the community expects the agency to conduct business registration, provide guidance, training, empowerment programs, promotion, services, and supervision that effectively support local entrepreneurs in becoming more competitive.

Although the Department of Industry and Trade of Gowa Regency has implemented various strategies to support MSME development, these efforts have not yet been fully perceived as conducive by all small business actors, despite continuous improvements being made from year to year. The uniqueness of this study lies in the department's development program, which targets all districts and neighborhood alleys throughout Gowa Regency. This initiative serves as an important driving force for MSME actors to develop their businesses and improve the economic welfare of the community.

2. Literature Review

2.1 The concept of analysis

The concept of analysis can be understood by examining the origin of the term itself. The word analysis is adapted from the English term "analysis," which etymologically originates from the Ancient Greek word analusis. The term analusis consists of two parts: ana, meaning "again" or "back," and lusis, meaning "to loosen," "release," or "break apart." When combined, the term means "to break down again" or "to decompose." Based on its etymological origin, analysis refers to the process of breaking down or examining something using a particular method. According to this origin, analysis is the process of dividing a complex topic or substance into smaller components in order to gain a better understanding (Nurjannah, 2022).

In general, analysis is an activity that consists of a series of processes such as examining, distinguishing, and classifying something into specific categories according to certain criteria, after which relationships among the components are identified and their meanings are interpreted. Another view defines analysis as an effort to observe something in detail by breaking down its constituent components or organizing those components in order to study them further.

According to Ginting (2019), "Analysis is an effort to divide an integrated whole into elements or parts so that its hierarchy and structure become clear."

Generally, analysis can also be understood as a process involving a sequence of activities such as decomposition,

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differentiation, and classification of an object or phenomenon into specific groups based on particular criteria. Subsequently, the relationships among these components are examined and interpreted. Another perspective suggests that analysis is an effort to study something in detail by identifying and examining its constituent components or by organizing those components for further investigation. As stated by Ginting (2019), "Analysis is an effort to divide an integrated whole into elements or parts so that its hierarchy and structure become clear".

In general, analysis is an activity consisting of a series of processes such as examining, distinguishing, and classifying something into specific categories according to certain criteria. The relationships among these categories are then identified and interpreted to derive meaning. Another perspective defines analysis as an effort to observe something in detail by breaking down its constituent components or organizing those components for further study. According to Ginting (2019), "Analysis is an effort to divide an integrated whole into elements or parts so that its hierarchy and structure become clear."

Analysis, as a cognitive ability, refers to the process of breaking down a unit into separate components, dividing a whole into sub-units or parts, distinguishing between similar elements, selecting relevant components, and identifying differences among elements within a unified system.

Furthermore, Ginting (2019) defines analysis as follows:

"Analysis is a series of logical, rational, systematic, and objective thinking activities that apply scientific methodologies or techniques to examine, investigate, describe, detail, and solve problems related to an object or target. It involves breaking down a complete and integrated entity into smaller sub-components for deeper understanding and evaluation." (Ginting, 2019).

Thus, analysis can be understood as a systematic process of examining and decomposing a complex object or phenomenon into smaller components in order to understand its structure, relationships, characteristics, and underlying meaning more comprehensively.

According to The Liang Gie, analysis is defined as follows:

"Analysis is a series of thought processes that examine something in depth, particularly by studying the parts of a whole in order to understand the characteristics of each part, the relationships among them, and their roles within the complete entity."

In the field of administration, the analysis conducted falls under the category of logical analysis, which refers to analysis based on logical reasoning. This differs from analysis in the natural sciences or chemistry, commonly referred to as physical analysis or chemical analysis.

According to the Indonesian Dictionary (Kamus Besar Bahasa Indonesia/KBBI), analysis is an investigation of an event, writing, action, or other phenomenon to determine its actual condition, causes, circumstances, and underlying issues. Such investigation or observation serves several functions and objectives, including:

a. Integrating data from various sources

Analysis helps combine and organize data obtained from different sources within a particular environment. Since data often come from multiple sources, further analysis is required to draw conclusions and gain a more comprehensive understanding of the subject being studied.

b. Selecting alternative solutions to problems

Analysis assists in identifying and evaluating alternative courses of action to solve problems. It enables decision-makers to determine the most appropriate and effective steps based on specific needs and circumstances.

c. Determining specific objectives

Another function of analysis is to clarify and specify the information obtained, making it easier to understand and apply. Through analysis, data can be interpreted more accurately and meaningfully.

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The fundamental purpose of analysis is to identify and examine data obtained from a particular population in order to draw valid conclusions. These conclusions can then be used by analysts, policymakers, and decision-makers as a basis for formulating policies, making decisions, and addressing various problems effectively.

Before conducting analysis, there are several steps that must be carried out, namely:

a. Collecting important data.
b. Checking the clarity and completeness of the data collection instruments.
c. Tabulating or recording data into master tables.
d. Testing the quality of the data by examining the validity and reliability of the data collection instruments.
e. Presenting data in the form of frequency tables or diagrams to make it easier to understand and analyze the characteristics of the data.
f. Testing hypotheses, which involves examining whether the hypothesis is valid or not.

Based on the above opinions, it can be concluded that analysis is a thinking activity aimed at solving or breaking down a main topic into more detailed parts or components so that the explanations, characteristics of each part, and the relationships among them can be clearly understood as a whole.

2.2 Definition of Development

Reigeluth states that development is the application of key points that have been designed in practice. Once the design has been implemented and tested, it is then revised and improved based on feedback. According to this view, development is the process of applying and testing a design in the field, which is then refined to ensure its effectiveness and efficiency.

Development refers to the process of translating or elaborating design specifications into physical form, or in other words, the process of producing learning materials. To develop means to deepen, expand, and improve existing knowledge, theories, practices, or products so that they become more effective and efficient. Product development in a broad sense may involve improving existing products (making them more practical, effective, and efficient) or creating new products that did not previously exist (Nurdina, 2021).

Borg and Gall explain that development is an industry-based process. This is because products or findings in development research are used to design new products and procedures, which are then systematically tested in the field, evaluated, and refined until they meet effectiveness, quality, or standard criteria. Based on this explanation, development refers to a process aimed at designing new products or procedures that are field-tested and continuously improved until the desired quality and standards are achieved.

In the field of education, research and development is a process of developing educational tools carried out through a series of studies using various methods in a cyclical process that goes through several stages. Research and development also covers various educational components such as curriculum, learning processes, instructional materials, and assessment or evaluation (Syah, 2021). The products generated through development research are expected to improve educational productivity, namely producing graduates in large numbers, with high quality, and relevant to societal needs.

According to Law of the Republic of Indonesia Number 18 of 2002, development is an activity in science and technology aimed at utilizing scientific principles and theories that have been proven valid to improve the functions, benefits, and applications of existing science and technology or to produce new technologies. Development is also a learning system aimed at supporting students' learning processes, consisting of a series of events designed to influence and support internal learning processes, or all deliberate efforts to create conditions so that learning objectives can be achieved.

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2.3 MSME Development

In general, the development of a business follows a certain simplified pattern, starting from the establishment of the business itself. Most companies begin as relatively small business units serving limited market areas. Initially, these companies also produce a limited range of products and are supported by limited capital. Therefore, new businesses tend to have a relatively weak market position due to low market share dominance. It is not surprising that, at the beginning, a new company primarily focuses on survival. Gradually, this is followed by efforts to develop the business, which are fully directed toward increasing sales and expanding market share (Putri, 2017).

Business development is defined as "a gradual and systematic process to improve the knowledge, skills, attitudes, and work performance of individuals who hold managerial responsibilities in a business. In general, managerial development is understood as an effort to improve performance and organizational growth."

Competitiveness can be created and enhanced through the implementation of appropriate competitive strategies, one of which is the effective and efficient management of resources. In addition, the determination of the right strategy must be aligned with all company functions in order to achieve the expected performance, or even better, and to generate value.

All companies, especially SMEs, compete to become leaders in the era of competition. Therefore, every SME is required to have high competitiveness and continuously improve itself. SMEs with high competitiveness are characterized by strong human resource capabilities, high levels of knowledge mastery, and economic competence (Ariani & Utomo, 2017).

Meanwhile, SME development aims to improve the condition of SMEs toward a better direction, enabling them to adapt more effectively to new technologies, markets, and emerging challenges, as well as the rapid pace of change. SME development is an important component of national development programs to establish the foundation for sustainable and equitable economic development.

MSME development is essentially a shared responsibility between the government and society, as follows:

a. Creating a Conducive Business Climate

The government needs to strive to create a conducive business environment, including ensuring peace and security for business activities, simplifying business licensing procedures, providing tax relief, and other supportive measures.

b. Government Capital Assistance

Government capital assistance should expand special credit schemes with requirements that do not burden MSMEs, in order to support their capital enhancement. This can be done through financial service sectors, informal financial services, guarantee schemes, leasing, and venture capital. Financing for MSMEs should also utilize existing microfinance institutions, both bank and non-bank. Bank-based microfinance institutions include village units of Bank Rakyat Indonesia (BRI Unit Desa) and Rural Banks (BPR).

c. Business Protection for Certain Types of Enterprises

Protection should be given to specific types of businesses, especially traditional enterprises that belong to lower-income economic groups. This protection should be provided by the government through laws and regulations that lead to mutually beneficial (win-win solution) arrangements.

d. Partnership Development

Partnerships should be developed among MSMEs themselves, or between MSMEs and large enterprises both domestically and internationally, to prevent business monopolies. In addition, partnerships help expand market share and improve business efficiency. In this way, MSMEs can strengthen their competitiveness against other business actors, both domestic and foreign.

e. Government Training Programs

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The government needs to enhance training for MSMEs in areas such as entrepreneurship, management, administration, knowledge, and business skills development. In addition, MSMEs should be given opportunities to apply the results of training in real-world practice through pilot partnership development programs.

f. Establishment of Special Institutions

A special institution needs to be established to coordinate all activities related to MSME growth and development. This institution would also function to find solutions to both internal and external problems faced by MSMEs.

2.4 Micro, Small, and Medium Enterprises (MSMEs)

Researcher Suci (2017) stated that observing the growth of MSMEs in Indonesia's economy is important. MSMEs, as part of the economy, must also enhance their competitiveness through innovation. Competitive advantages based on innovation and creativity should be prioritized because they are more sustainable and long-lasting. This study aims to formulate institutional strategies to encourage innovation and creativity among MSME actors. It is based on literature review research using a SWOT analysis method. Furthermore, this study compares strategies for building strong institutions that support creativity and arts, which can enhance MSME competitiveness across several countries.

One of the main MSME issues related to productivity is the lack of protection for intellectual property rights over innovation and creativity. This often leads to product imitation, which harms MSME innovators. Intellectual property rights (property rights) over products or product designs do not function effectively as production incentives. Ignored property rights create disincentives for production. Therefore, incentives are needed for producers so that they are continuously encouraged to innovate and be creative. One possible step is providing appreciation through patent rights for innovative MSMEs. This would encourage further innovation and result in products with attractive features and designs for consumers.

From the perspective of development economics, high economic growth supported by industrial sector growth will increase demand for labor, which in turn expands employment opportunities. Increased employment leads to higher income levels, thereby improving purchasing power. Furthermore, the expansion of employment opportunities reduces unemployment and increases community income, ultimately improving welfare and reducing poverty. A person is considered poor because they lack access to fulfill their basic needs. Access, which is a fundamental right for everyone, is determined by "self-value." For some individuals, their self-value is limited to their labor power. Therefore, poverty and hunger cannot be solved simply by increasing production (economic growth alone). If poverty alleviation is the main goal of development policy, then job creation and increasing the income of the poor must be the most important objectives of all development activities. In this context, the role of small businesses, including small-scale craft industries (MSMEs), is considered a key support for the people's economy (Prasetyo, 2016).

Prasetyo (2016) also states that due to increasing unemployment, entrepreneurship becomes increasingly important. Development will be more stable if supported by entrepreneurs, considering the government's limited capacity. The government cannot manage all aspects of development due to limitations in budget, personnel, and supervision. The explanation above shows that MSMEs play a positive role in improving and advancing the economy at both regional and national levels, as MSMEs are expected to absorb labor and reduce open unemployment rates.

The KBLI (Indonesian Standard Industrial Classification) used in this survey includes KBLI 2009 (2010–2015), KBLI 2015 (2017–2019), and KBLI 2020 (2020–present).

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The Indonesian Central Statistics Agency (BPS) classifies enterprises as follows:

a. Businesses with 1–4 workers are classified as household and craft industries.
b. Businesses with 5–19 workers are classified as small industries.
c. Businesses with 20–99 workers are classified as medium industries.
d. Businesses with more than 100 workers are classified as large industries.

2.5 Economic Growth Theory

Halim, A. (2020) states that to calculate the rate of a country's economic growth, the required data is the national income of that country. Developing countries generally use Gross Domestic Product (GDP), while developed countries generally use Gross National Product (GNP).

Economic growth of a country is defined as a long-term increase in the country's capacity to provide various economic goods and services to its population. This increase in capacity is determined by advancements in technology, institutional development, and ideological changes in response to existing conditions (Halim, A. 2020).

According to economic experts, there are four main factors that influence economic growth, namely: population size, stock of capital goods, land area and natural resources, and the level of technology used. Although it is recognized that economic growth depends on many factors, classical economists mainly focus on the impact of population growth on economic development.

In classical growth theory, land area and natural resources are assumed to be fixed, and the level of technology is assumed to remain unchanged. Based on classical growth theory, a concept is introduced that explains the relationship between per capita income and population size.

a. Contribution of MSMEs to Regional Economy

Halim, A. (2020) states that an appropriate and strategic policy for developing regional potential is the policy of local economic development. It has been proven in several economic crises in Indonesia that the Micro, Small, and Medium Enterprises (MSMEs) sector can act as a safety valve against the impacts of crises. However, it must also be acknowledged that after the economic crisis ended, MSMEs did not experience significant policy changes.

The contribution of MSMEs is also recognized in various regional economies. Local economic development is a process that seeks to formulate regional institutions, improve human resource capacity to create superior products, explore markets, transfer knowledge and technology, and foster small industries and business activities at the local scale. Its role in driving economic growth and employment absorption is very significant. In many cases in several countries, this sector has been able to stimulate the real sector across various business fields, thereby contributing to the formation of Regional Original Revenue (PAD).

During the 2009 economic crisis, the role of MSMEs in absorbing labor could still be relied upon. With the collapse of large industries and the formal sector in general, MSMEs became the most rational choice. This occurred due to the structure of the economy, which is highly dependent on the global economy.

b. Supporting Factors of Micro, Small, and Medium Enterprises (MSMEs)

The development of MSME actors receives support from various aspects. One of them is mentoring programs from government work units or institutions established by local governments as partners, providing knowledge and experience to MSME actors through training, capacity building, guidance, and monitoring activities.

Human resource quality also plays an important role, as the skills and creativity of MSME actors can enhance the development of the creative industry. The natural resource potential of Gowa Regency can also serve as a supporting factor. By understanding the utilization intensity of available natural resources, development strategies for MSMEs in the creative industry must consider natural

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resource management policies relevant to the industry.

However, there are also inhibiting factors in the MSME sector, such as capital limitations, lack of high-quality raw materials, and inadequate marketing infrastructure. MSME owners often admit that marketing is still limited to their personal capacity and is mostly done through cooperation with close acquaintances or people they know.

The local government has conducted various socialization programs, training, and capacity-building activities for MSME actors to support the development of the creative industry. However, participation from various stakeholders is still needed so that the development of MSMEs, especially in the handicraft sector, can be implemented as expected (Halim, A., 2020).

2.6 Conceptual Framework

The conceptual framework is an explanation of the issues that become the object of the problem. The conceptual framework is developed based on literature review and relevant research findings. This conceptual framework examines the strategy of the Department of Industry and Trade in empowering Micro, Small, and Medium Enterprises (MSMEs). It also refers to the concept proposed by Pranarka and Priyono regarding three phases that must be carried out in empowering communities or groups.

In the initial phase, all empowerment processes originate from the government, are carried out by the government, and are intended for the community. In this phase, the community is passive, implementing what has been planned by the government and remaining dependent on the government.

In the participatory phase, the empowerment process originates from both the government and the community, is carried out jointly by the government and the community, and is intended for the community.

The illustration of the conceptual framework in this study can be seen in Figure 2.1 below.

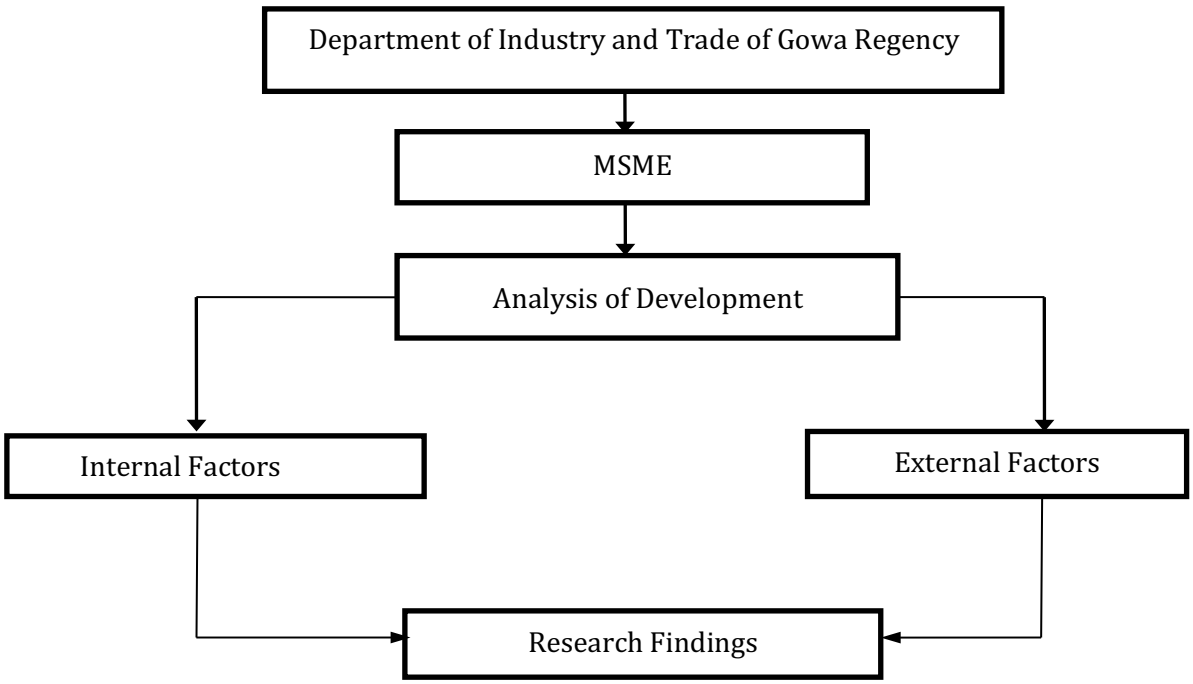

Fig. 1. Conceptual Framework of the study.

3. Research Methods

One of the most important elements of research is the research method. The appropriate selection of research methods has a significant influence as a basis for problem-solving, so that the research results can be

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accounted for and their validity can be objectively accepted. In a study, research methods are essential to facilitate the research process. Research methods are defined as a set of procedures used to understand the object that becomes the target or purpose of the research. This study uses a qualitative descriptive method.

The qualitative descriptive research method is intended for exploration and clarification of a phenomenon or social reality by describing a number of variables related to the problem and the units being studied.

3.1 Research Focus

The research focus refers to the determination of concentration as a guideline for the direction of a study in efforts to collect and search for information, as well as a reference in conducting updates or analysis so that the researcher can truly obtain the expected results. In addition, the research focus also serves as a boundary of scope in research development so that the study is not carried out in vain due to unclear development of discussion.

Thus, the focus of this research is to discuss the Analysis of the Development of Micro, Small, and Medium Enterprises (MSMEs) at the Department of Industry and Trade of Gowa Regency.

3.2 Types and Sources of Data

In general, the types and sources of data can be classified into two categories, namely primary data and secondary data. In this study, the researcher uses both primary and secondary data.

1. Primary Data

Primary data is data collected directly from the first source by the data collector, usually through interviews, observation, and other methods. From this definition, it can be concluded that primary data sources are data sources that directly provide information from the first party to the researcher, commonly obtained through interviews. The data in this study were obtained from interviews with the Head of the Department, the Head of the Industry Division, and MSME actors.

2. Secondary Data

Secondary data is data obtained by a researcher indirectly from the research subject, but through other sources, either oral or written. Secondary data refers to information obtained indirectly or through intermediary sources. This data is collected by quoting from other sources; therefore, it is not considered fully authentic, as it has passed through second, third, or subsequent parties.

3.3 Data Collection Methods

The researcher used several data collection methods, namely:

1. Interview

An interview is a form of direct communication between the researcher and the respondent. The communication takes place in the form of question and answer in a face-to-face interaction, where the respondents' gestures and expressions complement their verbal responses. Therefore, interviews do not only capture ideas but also emotions, experiences, feelings, and motivations of the respondents.

In this study, the researcher conducted interviews with selected informants, as mentioned in the informant selection section, to understand the efforts made and to examine the performance of the Department of Industry and Trade in developing MSMEs in Gowa Regency.

2. Documentation

Documentation refers to any written materials or films. Data collection is carried out by examining written records such as documents, books, and notes related to the integrated one-stop service, both from printed media and social media.

This method is primarily used in the early stages of the research to clarify the problem being studied. It involves reviewing references

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related to the research focus, official documents, and photographs.

3.4 Data Analysis Method

Miles and Huberman stated that activities in qualitative data analysis are carried out interactively and continuously until completion, so that the data becomes saturated.

1. Data Reduction

Data reduction is the process of selecting, focusing attention on simplification, abstraction, and transformation of raw data emerging from field notes. The steps include sharpening analysis, categorizing data into specific issues through brief descriptions, directing the data, discarding unnecessary information, and organizing data so that conclusions can be drawn and verified.

The data reduced includes all research-related data. Data reduction provides a more specific picture and makes it easier for the researcher to carry out further data collection in the field. The longer the researcher stays in the field, the more complex and extensive the data becomes. Therefore, data reduction is necessary to prevent data accumulation that may complicate further analysis.

2. Data Presentation

After data reduction, the next step is data presentation. Data presentation refers to a structured set of information that allows conclusions to be drawn and actions to be taken. The purpose of data presentation is to organize reduced data into patterns of relationships so that it becomes easier to understand.

Data presentation can be in the form of narrative descriptions, charts, relationships between categories, and flow diagrams. This helps the researcher understand what is happening. At this stage, the researcher organizes relevant data so that the information can be concluded and given meaning to answer the research problem.

A good data presentation is an important step toward achieving valid and reliable qualitative analysis. Data presentation is not merely descriptive narration but involves an ongoing analytical process until conclusions are drawn. The next step in qualitative data analysis is drawing conclusions and verifying the data.

3. Conclusion Drawing or Verification

This stage is the final step in drawing conclusions from all data obtained during the research. Conclusion drawing or verification is an effort to find or understand meanings, patterns, explanations, causal relationships, or propositions.

Before drawing conclusions, data reduction and data presentation are first carried out. According to Miles and Huberman, the analysis process is not a one-time activity but an interactive cycle that continuously moves between data reduction, data display, and conclusion drawing or verification throughout the research process.

After verification, conclusions are drawn based on the research findings presented in narrative form. Conclusion drawing is the final stage of data analysis and data processing.

4. Results and Discussion

The history of the establishment of the Department of Industry and Trade of Gowa Regency can be traced back to January 16, 1977, when the office for the trade and industrial sector was founded. This sector plays a strategic role in the economic development of Gowa Regency. Its importance can be seen in its contribution to providing business opportunities, employment opportunities, and increasing exports.

Moreover, the industrial and trade sector has proven to be more resilient to past economic crises due to its flexible characteristics and its utilization of local resources, making it a reliable pillar in supporting economic resilience. Based on these considerations, the Government of Gowa Regency has strengthened policies for development and empowerment so that this sector can serve as one of the main pillars of the regional economy, in line with the Regent of Gowa's mission to attract investors and

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optimize the management and utilization of natural resource potential.

In efforts to develop the industrial and trade sector, several issues still require attention, namely:

a. The condition of industry and trade, which is generally still limited in terms of productivity, human resources, management, technology, capital, and marketing.
b. The lack of guaranteed markets to absorb production results, including distribution networks that function efficiently as marketing channels.
c. The national economic crisis that has not yet fully recovered.
d. The challenges of trade liberalization under frameworks such as AFTA (ASEAN Free Trade Area), APEC (Asia-Pacific Economic Cooperation), and GATT/WTO (General Agreement on Tariffs and Trade/World Trade Organization), which increase business competition.

Therefore, the Department of Industry, Trade, and Investment of Gowa Regency was later transformed into the Department of Industry and Trade as it exists today, in accordance with Regional Regulation No. 7 of 2008 concerning the organization and working procedures of regional offices in Gowa Regency.

4.1 Research Results

1. Internal Factors

Internal factors represent areas such as human resources, production, marketing, and product development that provide an overview of a company's condition. Positive internal factors can be utilized by a company to achieve its mission, objectives, and goals. These factors include skills or knowledge, a positive public image, experienced sales personnel, loyal customers, and other similar elements.

On the other hand, negative internal factors must be avoided by companies because they can hinder the achievement of organizational goals. These may include lack of capital, shortage of skilled workers, inability to master technology, and an unfavorable business location.

Internal factors cover functional business areas, including management, marketing, finance/accounting, production, operations, and management information systems. Internal factors serve as the foundation for establishing goals and strategies in order to create strengths and overcome organizational weaknesses. The dimensions of internal factors include: (1) human resource aspects; (2) financial aspects; (3) technical and operational aspects; (4) market and marketing aspects; (5) government policy aspects; (6) socio-economic aspects; and (7) institutional roles (Fibriyani, V., 2018).

2. External Factors

External factors refer to elements that influence a company in determining its direction and actions. These factors affect organizational structure and internal processes.

External factors are divided into three interrelated sub-categories, namely:

1. Remote environment (economic, social, political, technological, ecological factors);
2. Industry environment (barriers to entry, supplier power, buyer power, availability of substitute products, and competitive rivalry); and
3. Operating environment (competitors, creditors, customers, labor market, and suppliers).

Positive external factors help companies achieve their goals. Companies analyze the most influential external factors by identifying opportunities in the external environment and adjusting them by considering conditions and core competencies to achieve organizational objectives (Fibriyani, V., 2018).

a. Communication

Communication is an activity of delivering information, including messages, ideas, and thoughts, from one party to another. Good communication between the Department of Industry and Trade of Gowa Regency and MSME actors can be measured through interviews with related parties. This aims to

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establish effective communication between the government and MSME business actors so that development programs, which are part of government work programs, can be implemented properly.

The following is an interview with MJ, Head of General Affairs and Personnel Subdivision, regarding communication between the government and business actors:

"Communication from the government to MSME business actors has so far been going well, as training and guidance programs are conducted every year. This is also proven by the increasing number of MSME actors each year." (Interview with MJ, August 8, 2025)

From the interview above, it can be concluded that communication between the government and MSME actors is running quite well because the government conducts training and socialization activities every year for business actors in Gowa Regency.

Another interview was conducted with CA, a mobile coffee business operator, regarding communication with the government:

"I actually heard that there were assistance programs and training provided by the government, but hesitation and lack of knowledge about what should be done became obstacles." (Interview with CA, August 8, 2025)

From the interview above, it can be concluded that communication and socialization between the government and business actors have not been optimal, as there are still business actors who do not fully understand the procedures or systems implemented by the government. This creates hesitation among MSME actors in establishing communication with the government.

This issue is similar to the interview conducted with JR, a business actor in the printing sector, who stated:

"Until today, I have never received information about any government programs, including training, technology development, capital assistance, or other forms of support. However, I still really hope to receive such socialization from the government." (Interview with JR, August 8, 2025)

From the two interviews above, it can be concluded that the uneven distribution of government socialization has a significant impact on MSME actors. They strongly expect equal access to assistance and socialization for all micro, small, and medium enterprises in Gowa Regency.

Socialization is a very important element in the development process of MSMEs in order to establish good communication. It also serves as the main factor in preventing misunderstanding and hesitation between the government and business actors. The following is an interview with MJ regarding socialization and communication:

"We continue to carry out socialization in every village and sub-district to provide greater understanding and knowledge to business actors, both those who are already established and those who are just starting their businesses." (Interview with MJ, August 8, 2025)

From the interview above, it can be concluded that socialization is continuously conducted across villages and sub-districts in Gowa Regency to provide knowledge and understanding to business actors so they can implement government programs effectively. This also allows new entrepreneurs to be included in the program.

Based on the interviews, it can be understood that communication between the Department of Industry and Trade (or related agencies) of Gowa Regency and MSME actors is generally quite good, although not all business actors have received equal information and socialization. Nevertheless, the government continues to make maximum efforts to ensure that information regarding training and socialization reaches all levels of society.

However, a different opinion was expressed by AR, a mobile phone service business operator, who stated:

"Personally, communication and socialization have been very good. I am often contacted

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directly by government officers, both to provide business information and marketing-related updates." (Interview with AR, August 8, 2025)

b. Resource Aspect

Resources are defined as the potential value possessed by a certain material or element in life. Resources are not always physical; they can also be non-physical (intangible). Some resources are changeable, either increasing, decreasing, or even disappearing, while others are permanent and unchanging. Resources are very important in the development process carried out by the government, in this case the Department of Industry and Trade of Gowa Regency, for MSME actors.

The following is an interview with KI, Head of the Business Order and Company Registration Section, regarding resources in the form of government programs:

"The government, in this case the Department of Industry and Trade of Gowa Regency, has implemented several work programs in recent years, such as training and mentoring for business actors." (Interview with KI, August 8, 2025)

From the interview above, it can be concluded that the government continuously conducts training and mentoring for MSME actors in Gowa Regency every year. This aims to implement government work programs and support the development of businesses in the region. The government also facilitates business actors and provides continuous socialization regarding training, development, and mentoring programs, as evidenced by the increasing number of MSME actors each year.

In essence, resources—whether human resources or other forms—are very important as supporting factors for business development. The role of the government is highly needed in this regard; however, to this day, government support has not yet fully reached all business actors.

The following is an interview with CA, a mobile coffee business operator, regarding resources and the impacts experienced:

"Until now, I have not received any assistance, whether in the form of technological support or capital. Perhaps this is because I have not yet communicated or registered my business, as I have been busy with other matters." (Interview with CA, August 8, 2025)

From the interview above, it can be concluded that there are still business actors who have not yet benefited from government programs. However, this is not entirely the government's fault, as awareness and initiative from business actors are also necessary for business development.

Business improvement and development depend on capital and adequate technological equipment. The following is an interview with KI, Head of the Business Order and Company Registration Section, regarding capital assistance and promotion for business actors:

"We provide basic capital support for business actors, such as equipment and technology upgrades, as well as promotion for MSME businesses. However, the main problems we often face are the community's monotonous mindset, lack of willingness, low creativity, and low motivation." (Interview with KI, August 8, 2025)

From the interview above, it can be concluded that the government continues to provide assistance in the form of equipment and technology improvements, as well as promoting MSME businesses. However, the main obstacles are still related to mindset, creativity, motivation, and willingness of the business actors themselves.

Another interview with MJ, Head of General Affairs and Personnel Subdivision, related to government programs, stated:

"The programs offered by the government include human resource quality management, asset expansion, productivity and competitiveness improvement, strengthening supervision, and macroeconomic policy

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implementation." (Interview with MJ, August 8, 2025)

From the interview above, it can be concluded that government programs play a very important role in MSME development. These programs are designed to improve quality and develop businesses in Gowa Regency.

Furthermore, an interview with AR, a mobile phone and laptop service business owner, regarding resources and the impact of government technology support, stated:

"Alhamdulillah, today I was contacted by the agency and informed that the ordered goods are already available at the office and can be picked up. I ordered these items quite a long time ago. The process is actually not difficult: first, you register your business, then specify the needed products, submit a proposal to the agency, and it will be selected before you receive confirmation. The item I ordered is a mobile phone casing opener tool." (Interview with AR, August 8, 2025)

From the interview above, it can be concluded that business actors who have registered their businesses and met the requirements for government assistance, such as technological development support, are entitled to receive assistance. The government has provided a clear procedure; however, it depends on how the business actors respond and take advantage of it.

Unfortunately, some business actors still hesitate to take action, even though the government has made maximum efforts to develop and socialize its programs. The following is an interview with JR regarding resources:

"Actually, in terms of resources, I do not expect much at the moment. The most important thing for my business right now is promotion from the government so that it can grow faster. Training is also very important to improve my knowledge in business and industry, as it will definitely improve the quality of my production." (Interview with JR, August 8, 2025)

From the interview above, it can be concluded that JR's business is already sufficient in terms of technological resources. However, the main obstacle lies in the lack of promotion to expand the market reach. Training from the government is also highly expected to improve knowledge in business management, which in turn can significantly enhance production quality.

From the interview above, it can be concluded that the Department of Industry and Trade of Gowa Regency has actually been actively conducting socialization and communication with business actors, including providing updates and monitoring business developments to optimize communication between both parties.

c. Government Policy Aspect (Disposition)

Disposition refers to the attitudes of implementers, which may create real obstacles in policy implementation if the personnel involved do not carry out the policies as intended by higher authorities. This includes administrative matters and document disposition, as well as the attitude in applying development policies, particularly within the Department of Industry and Trade of Gowa Regency.

The following is an interview with AJ, Head of the Trade Division:

"To ensure the implementation of administrative matters, we carry out planning, meetings, evaluations, program presentations, and the determination of coaching activities. All correspondence is received by me after passing through the relevant sections, and then I forward it to the Head of the Department." (Interview with AJ, August 8, 2025)

From the interview above, it can be concluded that administrative and correspondence matters are handled systematically through a structured flow, starting from the relevant sections and then processed by the secretary before being forwarded to the Head of the Department. The implementation of work programs within the

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agency also goes through several stages that determine subsequent actions.

Another interview with KI, Head of the Business Order and Company Registration Section, regarding administrative matters and proposals related to business technology improvement, stated:

> *"As the Head of the Business Order and Company Registration Section, I directly handle business development, mentoring, and evaluation. Proposals submitted by business actors are first reviewed and selected, then forwarded to the secretary and head of the department for approval and disbursement if they meet the required criteria." (Interview with KI, August 8, 2025)*

From the interview above, it can be concluded that each division and section within the agency has its own roles and functions. For example, the MSME empowerment division includes a section responsible for MSME development and technology improvement for business actors. However, proposals must first fulfill specific requirements and are carefully reviewed before being forwarded for approval and fund disbursement.

The disposition of policy implementers in MSME development within the Department of Industry and Trade of Gowa Regency is reflected in the application of rules and requirements that must be met before policies can be implemented. For example, in the implementation of policies related to business capital and technological support for MSME actors in Gowa Regency, compliance with administrative procedures is mandatory before assistance can be realized.

d. Political Aspect (Bureaucratic Structure)

Bureaucracy is a form of organization whose implementation is related to the objectives to be achieved. Bureaucracy refers to a system of authority that is rationally established through various rules to organize the work carried out by many people. In this context, it refers to the performance and coordination among divisions within the Department of Industry and Trade of Gowa Regency. The bureaucratic structure examined focuses on the MSME development sector, starting from data collection processes to the implementation of MSME development policies.

The following is an interview with MJ regarding the bureaucratic structure:

> *"The bureaucratic structure within this agency, particularly the relationship between each division, ultimately leads to a disposition to the leadership, including myself who directly handles administration and all programs that will be implemented for the next period. For MSME development, there is a specific division, and you can see it clearly because the organizational chart is displayed in almost every office room." (Interview with MJ, August 8, 2025)*

From the interview above, it can be understood that the bureaucratic process within the Department of Industry and Trade of Gowa Regency is well-structured. It starts from the highest level, namely the Head of the Department, and is followed by several sections that handle specific tasks according to their functions.

The following is an interview with KI, Head of the Business Order and Company Registration Section, regarding the bureaucratic structure and its stages:

> *"In this case, business actors who wish to receive assistance, whether related to technology development, promotion, or partnership programs, already have their respective divisions. I directly handle MSME development, but business actors must first complete their data registration, including having a business license from the village or sub-district in Gowa Regency. After that, the data submitted to me will be forwarded to the Planning and Finance Subdivision for further processing." (Interview with KI, August 8, 2025)*

Based on the interviews above, it can be concluded that the bureaucratic system in this case requires several structured stages. Business actors must first coordinate with the relevant department. If they wish to obtain

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technology development assistance, they must submit an application to the MSME development unit. The documents are then processed and forwarded to higher authorities within the department for further action.

4.2 Research Discussion

Based on interviews with officials from the Department of Industry and Trade of Gowa Regency and several MSME actors, it can be understood that MSME development in Gowa Regency is carried out through various strategies. The department actively conducts mentoring and socialization programs to help MSME actors understand how to manage their businesses more effectively. In addition, training programs are also provided, including improvements in production skills, business management, and digital-based marketing. These efforts aim to prepare business actors to face rapid changes and increasingly competitive market conditions.

In the field of marketing, the department also facilitates MSMEs to participate in exhibitions, expos, and local product promotions. This initiative is expected to expand market access at both local and regional levels. The department also strives to simplify business licensing procedures and provides guidance on business legality so that MSME products can become more competitive in the market.

However, the research findings indicate that MSME actors still face various challenges. The main issue is capital, which is frequently reported as a major constraint. In addition, limited human resources (HR), particularly in business management skills, also poses a significant challenge. Furthermore, lack of promotion and product innovation hinders business development. Some MSME actors also perceive that the business licensing process is still complicated and time-consuming, which slows down business growth.

From a theoretical perspective, MSME development must consider the interaction between internal and external factors. Internal factors such as managerial capability, innovation, and human resources are key in utilizing external opportunities such as government support, regulations, and market access. Field findings show that although local governments have made efforts through mentoring, socialization, and training, many MSME actors still experience constraints.

This study shows that MSME development cannot rely solely on external support but must be balanced with the internal readiness of business actors. Therefore, the research question, “How is MSME development carried out by the Department of Industry and Trade of Gowa Regency?” can be answered as follows: the department has implemented various positive strategic programs; however, their effectiveness still depends on the ability of MSME actors to manage and develop their businesses independently.

1. Factors Supporting MSME Development

Supporting factors also include infrastructure and facilities that play an important role in helping Micro, Small, and Medium Enterprises (MSMEs) grow in Gowa Regency. Several factors contribute to this development. The following is an interview with MJ, Head of the General and Personnel Subdivision at the Department of Industry and Trade of Gowa Regency:

> *“Supporting factors for MSME development in Gowa Regency from the Department of Industry and Trade include appropriate technology improvements, land certification, and business product promotion.” (Interview with MJ, August 8, 2025)*

The statement above explains that the government, through the Department of Industry and Trade, provides opportunities for business actors to develop their businesses and receive promotional support from the government.

In addition, the MSME empowerment division also provides opportunities for registered business actors who already have business licenses from villages/sub-districts in

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Gowa Regency to participate in training programs and MSME exhibitions organized by the Provincial Government of South Sulawesi:

"In addition, the MSME empowerment division also provides opportunities for registered business actors who already have business licenses from villages/sub-districts in Gowa Regency to participate in training programs and MSME exhibitions organized by the Provincial Government of South Sulawesi." (Interview with KI, August 8, 2025)

Supervision and evaluation are also required to ensure and measure the effectiveness of government roles in supporting business actors who have received assistance in the form of technological upgrades. This serves as an important guarantee for future MSME development.

"We also conduct basic training, such as assistance in preparing business proposals, which become the initial step for receiving government support. During socialization activities, community leaders are also involved to disseminate information related to government programs to the wider community." (Interview with KI, August 8, 2025)

In this context, the government acts as a facilitator and supporter for business actors and local communities. The government also collaborates with local leaders such as village heads and sub-district officials to distribute information, ensuring that all government programs are properly delivered and fairly accessible.

Furthermore, the government provides several forms of support to help business actors grow, such as training programs and assistance in proposal preparation:

"Until now, registered business actors who meet the requirements have received assistance in the form of technology upgrades and promotional support. This year, around 80 businesses received free equipment based on their submitted proposals, including sewing machines, compressors, shop display shelves, and ovens." (Interview with KI, August 8, 2025)

2. Factors Inhibiting MSME Development

The inhibiting factors in the development of MSMEs in Gowa Regency include several aspects as described below.

"The main inhibiting factors usually come from communication between the agency and business actors, incomplete data collection, systems that are not yet fully understood, hesitation, and lack of curiosity from business actors." (Interview with MJ, August 8, 2025)

From the statement above, it is clear that communication remains a major problem, along with incomplete data collection by the agency, which still relies on conventional methods. In the era of Industry 4.0, where most systems are digitally connected, this condition makes it difficult for business actors in remote areas to access information. In addition, many business owners also feel uncertain or hesitant, which leads to a lack of awareness regarding available programs.

"Personally, until now I have not received any socialization or information related to MSME programs, either through direct communication or social media. Due to the lack of communication with the agency, the development of my business has been slow, whereas what I currently need most is capital and technology improvement." (Interview with CA, August 8, 2025)

From the interview above, it is clear that without support from external parties, especially the government, MSME development tends to progress slowly. Communication issues are a common obstacle in the implementation of government programs and significantly affect the regional economy, thereby slowing down economic development.

"I also have very limited knowledge about bookkeeping processes. I believe this is also one of the inhibiting factors for my business. Asset development and promotion are also very important for my business at this stage." (Interview with CA, August 8, 2025)

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From the interview above, it can be concluded that many business actors still have limited understanding of bookkeeping. In fact, bookkeeping is an important tool to measure business performance and progress. It can also serve as a basis for decision-making and future business target setting.

5. Conclusion

5.1 Main Findings

This study analyzed the development of Micro, Small, and Medium Enterprises (MSMEs) implemented by the Department of Industry and Trade of Gowa Regency. The findings indicate that the department has adopted various development strategies, including business mentoring, entrepreneurship training, product promotion, marketing facilitation, business legality assistance, and technology support. These programs have contributed positively to improving the managerial capacity, business knowledge, and market opportunities of MSME actors. However, the effectiveness of these initiatives remains constrained by several persistent challenges, including limited access to capital, inadequate human resources, low levels of business innovation, insufficient digital marketing capabilities, and uneven dissemination of government information and support programs. Therefore, MSME development in Gowa Regency remains a collaborative process that requires both effective government intervention and active participation from business actors.

5.2 Theoretical Implications

The findings reinforce the perspective that MSME development is influenced by the interaction between internal and external factors. Internal factors, including entrepreneurial competence, managerial capability, innovation, and business motivation, determine the ability of MSMEs to utilize external opportunities. Meanwhile, external factors such as government policies, institutional support, access to financing, training programs, and market facilitation create an enabling environment for business growth. This study extends the MSME development literature by demonstrating that government intervention alone is insufficient unless accompanied by adequate organizational readiness and entrepreneurial capacity among MSME actors. Thus, sustainable MSME development requires an integrated empowerment model combining institutional support with continuous capacity building.

5.3 Practical Implications

The results provide several practical implications for policymakers and stakeholders. First, the Department of Industry and Trade should strengthen digital-based information systems to ensure that training, funding opportunities, and government assistance are distributed more equitably across all MSME sectors. Second, continuous capacity-building programs focusing on digital entrepreneurship, financial literacy, bookkeeping, product innovation, and digital marketing should become priority agendas. Third, collaboration among local governments, financial institutions, universities, and private-sector organizations should be expanded to improve MSMEs' access to financing, technology, mentoring, and wider domestic and international markets. These initiatives are expected to enhance the competitiveness and long-term sustainability of MSMEs in Gowa Regency.

5.4 Research Limitations

This study has several limitations. First, it employed a qualitative research approach focusing only on MSMEs under the supervision of the Department of Industry and Trade of Gowa Regency, limiting the generalizability of the findings to other regions. Second, the study relied primarily on interview data obtained from government officials and selected MSME actors, which may not fully represent the diversity of MSME characteristics across different business sectors. Third, this research did not quantitatively measure the effectiveness of government intervention or the contribution

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of each development program to MSME performance.

5.5 Recommendations for Future Research

Future studies are encouraged to adopt mixed-method or quantitative approaches involving larger samples across multiple regions to improve the generalizability of findings. Further research should also examine the impact of specific government programs on MSME performance using measurable indicators such as business productivity, sales growth, profitability, employment creation, digital transformation, and business sustainability. Additionally, future studies may integrate contemporary theoretical perspectives such as the Resource-Based View (RBV), Dynamic Capabilities Theory, Institutional Theory, or Digital Entrepreneurship Framework to develop a more comprehensive understanding of MSME development in the context of digital economic transformation.

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