

Analysis Implementation Policy Development of MSMEs in Tana Toraja Regency

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in driving regional economic growth, employment, and improving community welfare. Tana Toraja Regency has significant MSME potential with approximately 25,845 business actors operating in the trade, culinary, craft, agriculture, livestock, and creative economy sectors. This study aims to analyze the implementation of MSME development policies in Tana Toraja Regency using George C. Edward III's policy implementation model, which includes communication, resources, disposition, and bureaucratic structure. The study uses a qualitative approach with a descriptive research type. Research informants were determined by purposive sampling, consisting of MSME program implementing staff and MSME actors from the culinary, craft, and trade sectors. Data collection techniques were carried out through observation, interviews, and documentation. Data analysis used the interactive model of Miles, Huberman, and Saldaña, which includes data condensation, data presentation, as well as drawing conclusions and verification. The results of the study indicate that the implementation of MSME development policies in Tana Toraja Regency has been running quite well, but not yet optimal. In terms of communication, the local government has implemented outreach through training, mentoring, and social media, but not all MSMEs have received equal information. In terms of resources, limited budget and the number of assistants are the main obstacles in program implementation. In terms of disposition, implementing officials have demonstrated good commitment and responsiveness in supporting MSME development. Meanwhile, in terms of bureaucratic structure, coordination between agencies has been running quite well through various forms of collaboration, although cross-sector synergy still needs to be strengthened. This study concludes that the successful implementation of MSME development policies in Tana Toraja Regency is influenced by effective communication, adequate resources, implementer commitment, and institutional coordination.

Keywords : Implementation ; Policy ; MSME Development ; Tana Toraja Regency .

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are a key pillar of the national economy, contributing significantly to economic growth, employment, income equality, and poverty reduction. Within Indonesia's economic structure, MSMEs not only serve as drivers of economic activity but also serve as a crucial instrument in fostering regional economic resilience. Their strategic importance lies in their ability to survive various economic crises, compared to larger businesses, which tend to be more vulnerable to changing market conditions and economic globalization.

The Indonesian government has devoted significant attention to the development of MSMEs through various regulations and policies. One such regulation, Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises, emphasizes that MSME empowerment must be comprehensive, optimal, and sustainable to enhance their position, role, and potential in realizing economic growth, equity, and improving public welfare. Furthermore, various government programs, such as MSME digitalization, easier access to financing, entrepreneurship training, and marketing enhancement, continue to be developed to enhance MSME competitiveness at the national and regional levels.

At the regional level, the implementation of MSME development policies is a crucial factor in determining the success of community economic empowerment programs. Policy implementation is the process of implementing established decisions or programs to effectively achieve policy objectives. According to Edward III (1980), the success of policy implementation is influenced by four main factors: communication, resources, implementer disposition, and bureaucratic structure. Meanwhile, Van Meter and Van Horn (1975) explain that the success of policy implementation is influenced by policy standards and objectives, resources, characteristics of implementing organizations, inter-organizational communication, socioeconomic conditions, and implementer disposition. Thus, the success of MSME development is determined not only by the quality of the formulated policies, but also by the effectiveness of their implementation in the field.

Tana Toraja Regency is one of the regions in South Sulawesi Province that has significant local economic potential through the trade, agriculture, livestock, crafts, culinary, and culture-based tourism sectors. As a region known nationally and internationally for its rich culture and tourist destinations, Tana Toraja has a great opportunity to develop MSMEs as a pillar of the community's economy and support the regional tourism sector. This potential can be seen from the large number of business actors operating in various creative economic sectors and businesses based on local wisdom. Data from the Tana Toraja Regency Cooperatives and MSMEs Office shows that there are approximately 25,845 MSMEs spread across various business sectors, such as trade, agriculture, livestock, culinary, crafts, services, and other creative economic sectors. The majority of

MSMEs operate in the trade, culinary, agriculture, and livestock sectors, which are the region's leading sectors.

The large number of MSMEs demonstrates the strategic role of the MSME sector in the economic development of Tana Toraja Regency. In addition to providing a source of income for the community, MSMEs also contribute to job creation and increased local economic activity. However, MSMEs still face various challenges, including limited access to capital, low managerial skills, limited use of digital technology, a lack of product innovation, and limited marketing access. These conditions prevent some MSMEs from developing optimally and achieving strong competitiveness in an increasingly competitive market.

The challenges of developing MSMEs have become even more pronounced following the COVID-19 pandemic, which has significantly impacted economic activity. Many MSMEs have experienced declining revenue, marketing difficulties, product distribution disruptions, and limited business capital. Previous research has shown that MSMEs in Tana Toraja face various obstacles, such as declining sales, limited access to information technology, and a reduced workforce due to business adjustments during the pandemic. Even the woven handicraft sector, one of the region's leading products, has experienced a significant decline in demand due to the decline in tourism and trade activity.

To address the role of MSMEs in regional economic development, the Tana Toraja Regency Government has established various strategic programs to support MSME development. The 2024 Tana Toraja Regency Government Performance Accountability Report states that enhancing the MSME sector, home industries, the creative economy, and cooperative competitiveness are among the regional development targets. Implemented programs include MSME development, micro and small business empowerment, cooperative protection, entrepreneurship training, increased workforce productivity, and creative economy development integrated with the regional tourism sector.

Although various policies have been designed and implemented, the effectiveness of MSME development policies in Tana Toraja Regency still requires in-depth evaluation. Several indications indicate a gap between policy objectives and the actual conditions faced by MSMEs. Training and mentoring programs have not fully reached all business actors, access to financing remains a major obstacle, and the adoption of digital technology by MSMEs remains relatively low. Furthermore, the development of the digital economy requires MSMEs to adapt to changing consumer consumption patterns that are increasingly technology-based.

Studies on the implementation of MSME development policies are important because they can provide insight into the extent to which formulated policies are able to achieve

their intended goals. Policy implementation analysis can also identify supporting and inhibiting factors that influence the success of MSME development programs. The results of these studies can serve as a basis for local governments to improve policies, enhance the quality of services to MSMEs, and formulate more effective and sustainable development strategies.

The development of MSMEs in Tana Toraja Regency is closely linked to the region's leading tourism sector. MSME products such as Torajan woven crafts, traditional culinary delights, Torajan carvings, and various other creative economy products have significant potential to increase the added economic value of the community while strengthening the region's cultural identity. Therefore, the implementation of MSME development policies needs to be directed at strengthening the capacity of business actors, increasing market access, utilizing digital technology, and synergizing between the government, business community, academics, and the community to support sustainable local economic development.

Based on the above description, this study aims to analyze the implementation of MSME development policies in Tana Toraja Regency by examining aspects of policy communication, resource availability, implementer disposition, and bureaucratic structure as factors that influence the success of policy implementation. This study is expected to provide theoretical contributions to the development of public administration studies, particularly in the field of public policy implementation, as well as provide practical recommendations for local governments in increasing the effectiveness of MSME development programs as an effort to strengthen the regional economy and improve community welfare.

RESEARCH METHODS

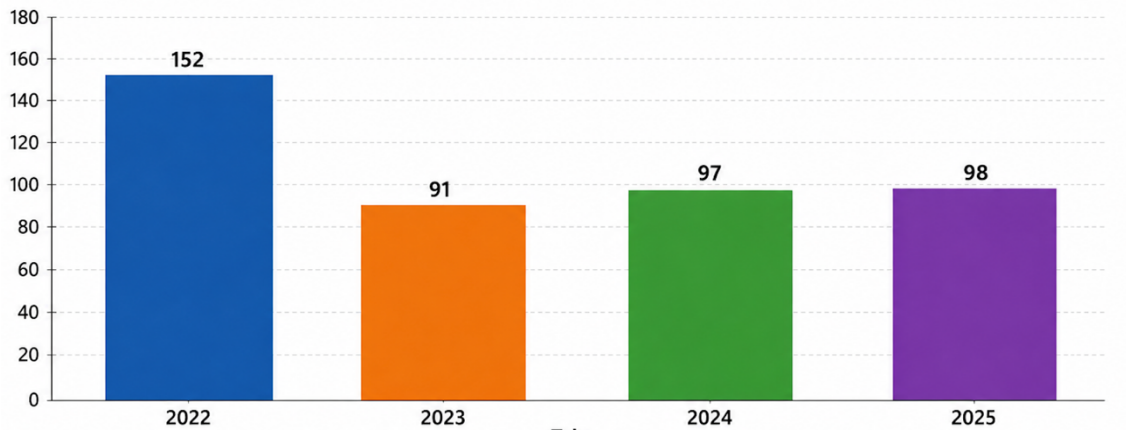
This study uses a qualitative approach with a descriptive approach. The qualitative approach was chosen because the study aims to deeply understand the implementation process of Micro, Small, and Medium Enterprises (MSME) development policies in Tana Toraja Regency, including the factors that support and hinder the implementation of these policies. Qualitative research allows researchers to obtain a comprehensive picture of the phenomena studied based on the experiences, perceptions, and views of informants involved in policy implementation. According to Creswell (2018), qualitative research is an approach used to explore and understand the meaning derived from social or humanitarian problems. Meanwhile, Moleong (2021) explains that qualitative research aims to understand the phenomena experienced by research subjects holistically and is presented in the form of verbal descriptions in a natural context. The study was conducted in Tana Toraja Regency, South Sulawesi Province. The selection of the research location was based on the consideration that Tana Toraja Regency is one of the regions with

significant MSME potential and is a national tourist destination supported by various MSME development programs from the local government. This study focuses on the implementation of MSME development policies in Tana Toraja Regency using the policy implementation model of George C. Edward III (1980). The determination of informants was carried out by purposive sampling, namely selecting informants who were considered to know and understand the implementation of MSME development policies in Tana Toraja Regency, consisting of 6 informants, namely MSME program implementing staff, MSME actors in the culinary sector, MSME actors in the craft sector, and the trade sector. Data collection techniques were through observation, interviews, and documentation. The data analysis technique in this study used the interactive model of Miles, Huberman , and Saldana (2014) which includes three stages as follows: data condensation, data presentation, and data extraction. conclusion and verification .

RESULTS AND DISCUSSION

This study analyzes the implementation of Micro, Small, and Medium Enterprises (MSME) development policies in Tana Toraja Regency using George C. Edward III's policy implementation model, which consists of four dimensions: communication, resources, disposition, and bureaucratic structure. The analysis was conducted to determine the extent to which MSME development policies have been implemented and the factors influencing their success.

Tana Toraja Regency is one of the regions with significant MSME potential, particularly in the culinary, carving, Toraja weaving, trade, agriculture, and creative economy sectors that support the regional tourism sector. The local government, through regional agencies responsible for cooperatives and MSMEs, has implemented various programs such as entrepreneurship training, facilitating business permits, MSME mentoring, promoting local products, and increasing the capacity of business actors. However, the implementation of these policies still faces various challenges that affect the effectiveness of achieving policy objectives. The following is the number of active cooperatives in Tana Toraja Regency:



Source : Department of Cooperatives & Small and Medium Enterprises , Trade and Industry, Tana Toraja Regency .

In the picture above show development amount cooperative active in Tana Toraja Regency in 2022 , Total cooperative active recorded as many as 152 units. In 2023 there will be decline to 91 units, or decreased by 61 units (40.13%) compared to year previously . In 2024 , the number of cooperative active increase to 97 units, an increase of 6 units (6.59%) from 2023. Increase continued in 2025 with amount cooperative reached 98 units, an increase of 1 unit (1.03%) compared 2024. In general overall during four year final happen decline net as many as 54 units or around 35.53% of 2022 to 2025. Although thus , there is improvement in two years final show existence effort recovery and strengthening institutional cooperatives in the region .

The analysis of policy implementation in this study uses George C. Edward III's model, which consists of four main variables: communication, resources, disposition, and bureaucratic structure. This model explains that the success of policy implementation is largely determined by the effectiveness of communication, the availability of resources, the attitudes of the implementers, and the organizational structure of the policy implementers.

Policy MSME Development

Communication is a crucial factor in policy implementation because it determines the extent to which policy information is understood by both implementers and target groups. Edward III explained that effective communication must meet the elements of information transmission, clarity, and consistency. The research results show that local governments have disseminated MSME development policies through training, business

group meetings, social media, and direct mentoring for MSMEs. However, some MSMEs still lack comprehensive information about available programs.

An informant from the government stated: "We routinely carry out socialization of MSME programs through training and mentoring. However, because the number of MSME actors is quite large and spread across various sub-districts, not all of them can be optimally reached." (Informant A, 2026). This statement indicates that policy communication has been ongoing, but still faces obstacles in the equitable distribution of information. A similar sentiment was conveyed by an MSME actor in the culinary sector: "We are aware of the training program from government , but information we often get from fellow perpetrator business , not direct from service ." (Informant B, 2026).

Based on the interview results, it is clear that policy communication has not fully reached all target groups. Limited access to information has prevented some MSMEs from fully utilizing government programs. This finding aligns with Edward III's theory, which states that communication failures can lead to policy objectives not being achieved even when programs are in place. Therefore, a more effective communication strategy is needed through the use of digital technology, social media, and collaboration with MSME communities to ensure information reaches all business actors equally.

Resources in Implementation Policy

Resources are a crucial factor in successful policy implementation. Resources include human resources, budget, information, authority, and supporting facilities and infrastructure. Effective policy implementation requires adequate resource support.

The research results show that the Tana Toraja Regency Government has allocated various MSME development programs, but there are still limitations in the number of assistants and available budget support. An MSME official explained: "Our main constraints are budget limitations and the number of MSME companions . Number perpetrator business Enough big so that No all can get mentoring in a way intensive ." (Informant C, 2026). In addition, MSME actors also expressed that access to Business capital assistance is still a primary need. "The training provided is quite helpful , but part big perpetrator business Still need access to capital for develop effort ." (Informant D, 2026).

Research findings indicate that financial and human resources remain challenges in implementing MSME development policies. These limitations impact the suboptimal reach of government programs. On the other hand, several digital marketing and business management training programs have had a positive impact on increasing the capacity of entrepreneurs.

" After follow training digital marketing , we started market product through social media and get customer from outside area ." (Informant E, 2026).

Findings This show that improvement competence source Power man can give contribution significant to development of MSMEs. Various research also shows that digital transformation into factor important in increase Power competitiveness of MSMEs in the digital economy era .

Disposition or Attitude Executor Policy

Disposition is the attitude, commitment, and willingness of implementers to carry out established policies. Edward III emphasized that successful implementation is greatly influenced by the implementer's commitment to the policy's objectives. Research results indicate that implementing officials have a fairly good commitment to supporting MSME development. This is evident in the local government's efforts to provide training, mentoring, and promotion of MSME products in various regional activities. An MSME mentor stated: "We strive accompany perpetrator efforts to be able to growing . Not only give training , but also helps with the marketing and legal processes (Informant F, 2026). MSME actors also gave a positive assessment of the services provided by the government . area . " Employee service Enough responsive when we need information related permission efforts and assistance programs ." (Informant G, 2026).

Based on results study said , disposition Implementation can be categorized as quite good due to the commitment to implementing the MSME development program. However, improvements in service quality and sustainable support are still needed to ensure optimal policy implementation.

Structure Bureaucracy in Implementation Policy

Bureaucratic structure relates to organizational work mechanisms, inter-agency coordination , and program implementation procedures. A clear bureaucratic structure will facilitate policy implementation and increase program effectiveness. Research results show that the implementation of MSME development policies involves various parties, such as local governments, banking institutions, academics, business communities, and MSME actors. Inter-agency coordination has been carried out through various collaborative programs. MSME staff stated: "We collaborate with various parties, including universities and financial institutions to support MSME development." (Informant I, 2026).

However, several informants assessed that cross-sector coordination still needs to be improved to ensure more integrated program implementation. " Inter-agency collaboration already exists, but it needs to be strengthened to prevent overlapping programs." (Informant J, 2026). The research findings indicate that the bureaucratic

structure has supported policy implementation, but inter-organizational coordination still needs to be strengthened to increase the effectiveness of program implementation.

The research results indicate that the implementation of MSME development policies in Tana Toraja Regency has generally been quite successful, but not yet optimal. Based on Edward III's perspective, communication remains an important aspect that needs improvement, as not all MSMEs have received equal policy information. This situation has resulted in some businesses not utilizing various government-provided programs. Regarding resources, limited budgets and limited support staff are the main obstacles to implementing MSME development programs. These findings indicate that the success of policy implementation is determined not only by the existence of the program but also by the capacity of the resources available to run it effectively.

In terms of disposition, implementing officials demonstrate a strong commitment to supporting MSME development. Responsiveness and a willingness to provide services to business actors are key factors in the success of policy implementation. This aligns with Edward III's view that the commitment of implementers significantly influences the success of policy implementation. Meanwhile, the bureaucratic structure demonstrates strong inter-agency coordination, although further synergy between development actors is needed. Collaboration between the government, academics, the business world, communities, and the media is crucial in creating a sustainable MSME development ecosystem.

Thus, the implementation of the MSME development policy in Tana Toraja Regency can be said to be quite effective, but still requires improvements in communication aspects, increasing resources, strengthening mentoring, and optimizing cross-sector coordination so that the goal of MSME empowerment can be achieved optimally (Henni Zainal*, Andi Aslinda, Andi Tenry Sose, Andi Idham Danal Ashar, 2022; Zainal, Henni and Parinsi, Kristina and Hasan, Muhammad and Said, Farid and Akib, 2018; Zainal & Fitriana, 2025)

CONCLUSION

Based on the results of research on the Implementation of MSME Development Policies in Tana Toraja Regency, it can be concluded that the implementation of MSME development policies has generally been running quite well, but not yet fully optimal. Analysis based on George C. Edward III's policy implementation model shows that the

success of policy implementation is influenced by four main factors: communication, resources, disposition, and bureaucratic structure. In terms of communication, the local government has implemented various forms of outreach through training, mentoring, business group meetings, and the use of social media. However, the dissemination of information has not reached all MSMEs evenly due to the vast area and the large number of business actors spread across various sub-districts. This condition has resulted in some MSMEs not receiving optimal information about available development programs. In terms of resources, policy implementation still faces obstacles in the form of limited budgets, the number of mentors, and access to capital for business actors. Nevertheless, the entrepreneurship and digital marketing training programs that have been implemented have been able to increase the capacity and competence of MSME actors in developing their businesses.

In terms of disposition, the implementing apparatus demonstrated good commitment, responsibility, and responsiveness in supporting MSME development. The services provided to business actors were considered quite helpful, particularly in the aspects of mentoring, business licensing, and facilitation of business development. However, ongoing mentoring still needs to be improved so that the program's benefits can be more optimally felt by all MSME actors. In terms of bureaucratic structure, coordination between agencies and stakeholders has been implemented through various collaborative programs involving local governments, financial institutions, universities, and the business community. However, synergy and cross-sector coordination still need to be strengthened to avoid program overlap and increase the effectiveness of policy implementation. Thus, the implementation of MSME development policies in Tana Toraja Regency can be categorized as quite effective, but still requires improvements in aspects of information equity, strengthening resources, increasing business mentoring, and optimizing coordination between stakeholders. These efforts are crucial to increase MSME competitiveness, strengthen the regional economy, and support sustainable economic development in Tana Toraja Regency.

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