

# STRENGTHENING AND INCREASING MSME'S COMPETITIVENESS IN SUPPORTING SOUTH SULAWESI ECONOMIC GROWTH

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## ABSTRACT

The objectives of this research for three years (2021-2023) are: Year I: (1) Mapping MSMEs in South Sulawesi which have prospects to become suppliers of large or export-oriented businesses, (2) Analyzing the effect of strengthening and increasing the competitiveness of MSMEs in sustaining South Sulawesi's economic growth; Year II: (1) Conducting guidance and education to MSMEs and coaching agencies at the levels provincial and district in strengthening and increasing competitiveness, (2) Reviewing and establishing strategies for strengthening and increasing MSME competitiveness; Year III: (1) Build a model for strengthening and increasing the competitiveness of MSMEs, and (6) Applying a model for strengthening and increasing the competitiveness of MSMEs so that unable to sustain the economic growth of South Sulawesi. Diladata collectionkukanthrough a survey with 120 respondents in four districts of the sample (Makassar, Pare-pare, Bantaeng and Bulukumba). Testing the hypothesis with the Structural Equation Model (SEM) through the help of Software SPSSVersion 25. The results revealed that strengthening and increasing the competitiveness of MSMEs had a positive and significant impact on supporting economic growth in South Sulawesi. For this reason, the goal of this research is to build a model of MSME competitiveness, it is important to realize it in the next research stage in 2022 and 2023. The implication of this research is to contribute ideas to the Government South Provincial Sulawesi in the form of a model for increasing the competitiveness of SMEs.

## ABSTRAK

Tujuan penelitian ini selama tiga tahun (2021-2023) adalah: Tahun I: (1) Melakukan pemetaan UMKM di Sulawesi Selatan yang memiliki prospek untuk menjadi pemasok usaha besar atau berorientasi ekspor, (2) Menganalisis pengaruh penguatan dan peningkatan daya saing UMKM dalam menopang pertumbuhan ekonomi Sulawesi Selatan; Tahun II: (1) Melakukan pembinaan dan edukasi terhadap UMKM dan instansi pembina di tingkat propinsi dan kabupaten dalam penguatan dan peningkatan daya saing, (2) Mengkaji dan menetapkan strategi penguatan dan peningkatan daya saing UMKM; Tahun III: (1) Membangun model penguatan dan peningkatan daya saing UMKM, dan (6) Mengaplikasikan model penguatan dan peningkatan daya saing UMKM sehingga mampu menopang pertumbuhan ekonomi Sulawesi Selatan. Pengumpulan data dilakukan melalui survey dengan 120 responden di empat kabupaten sampel (Kota Makassar, Parepare, Bantaeng dan Bulukumba). Pengujian hipotesis dengan Structural Equatuion Model (SEM) melalui bantuan Software SPSS Versi 25. Hasil penelitian mengungkapkan bahwa penguatan dan peningkatan daya saing UMKM memberikan pengaruh positif dan signifikan dalam menopang pertumbuhan ekonomi Sulawesi Selatan. Untuk itu sasaran penelitian ini untuk membangun model daya saing UMKM menjadi penting untuk diwujudkan dalam tahapan penelitian berikutnya pada tahun 2022 dan 2023. Implikasi penelitian ini adalah memberikan sumbangan pemikiran kepada Pemda Propinsi Sulawesi Selatan dalam bentuk model peningkatan daya saing UKM.

## INTRODUCTION

Facts show that the growth of MSMEs in Indonesia is quite promising. As of August 2019, there were around 57.8 million MSME players, and managed to contribute 60.30% to Gross

Domestic Product (GDP), and were able to absorb 97.22% of the workforce. It is estimated that MSMEs in 2021 will continue to increase in line with the growing population of Indonesia. Although the MSME sector is the absorber of the majority of workers in Indonesia, not many have developed into large companies, and there are still few who export.

The strategic role of MSMEs should be able to become the backbone of the national economy, but the conditions that are considered ideal have not been able to meet the expectations of the government and society. According to Tambunan (2008), there are at least three problems experienced by MSMEs in Indonesia, namely productivity, competitiveness/competitive advantage and low performance. Various efforts to develop MSMEs have been carried out by various parties, especially the government, but are still constrained by traditional business management, low quality of human resources, production scale and techniques, low innovation and competitiveness, and limited access to funding from institutions. banking finance.

This is also the case for MSMEs in SouthProvince Sulawesi. Although there have been many efforts in the form of strategies empowerment, mentoring programs and other strategies carried out by local governments, the problems of MSMEs are still a homework, namely the competitiveness of MSMEs is still low, which is due to the inadequate quality of human resources and weak innovation power. With low competitiveness, it will affect the regional economic growth of South Sulawesi through the support of the local government.

The number of MSMEs in South Sulawesi has reached 751,802 units, consisting of 659,098 micro-enterprises, 88,095 small businesses, and 3,129 medium-sized businesses. Meanwhile, the number of business units that are already classified as large are still quite small, only reaching 1,309 units. From South Sulawesi's economic growth of 7.16 percent, MSMEs made a sizable contribution (Head of the South Sulawesi CooperativesService & SMEs , 2018).

According to Pujiono (2013) that "the main goal of the economic development of a region is to increase the number of goods and services as well as job opportunities for the community. The implementation of economic development must involve all levels of society and the government in taking regional development initiatives by using all available resource support and designing and developing the regional economy. Therefore, the role of the community, especially SMEs in the regional economic development of South Sulawesi, is very important and strategic. This condition is very possible because the existence of MSMEs is quite dominant in the economy of South Sulawesi, on the grounds that the number of MSMEs is large and exists in every economic sector, has great potential in employment, and the contribution of MSMEs in the formation of GDP is very dominant.

Another reason is that micro and small businesses have advantages in fields that utilize natural resources and are labor intensive, especially in the agricultural sector of plantation food crops, livestock, fisheries, trade, and restaurants/restaurants. Medium enterprises have advantages in creating added value in the hotel, finance, leasing, corporate services and forestry sectors. Large businesses have advantages in the processing, electricity, gas, communications, and mining industries. So this proves that MSMEs and large businesses complement and need each other, even though in reality MSMEs are more dominant in absorbing labor and contributing to national income.

In order to strengthen and increase the competitiveness of MSMEs in encouraging economic growth in South Sulawesi, the right solution that needs to be done is to: maintain quality standards, improve business skills, gain access to funding, and have a broad market reach. It is important to conduct an in-depth and integrated study of the competitiveness of

MSMEs, in order to develop a model for strengthening and increasing the competitiveness of MSMEs in supporting the economic growth of South Sulawesi.

Strengthening and increasing the competitiveness of SMEs is not easy. Of course, every effort will be different and need to emphasize its own uniqueness on the basis of geographic location and line of business. At least there are several challenges that need to be overcome to spur the competitiveness of MSMEs, namely: (1) maintaining quality standards, (2) business skills, (3) gaining access to funding. At least SMEs in South Sulawesi can do 5 (five) things in order to increase their competitiveness both locally and internationally, namely: innovation, branding, marketing, management and improving the quality of human resources.

Therefore, the problems of this research are: (1) What is the portrait of MSMEs in South Sulawesi which have prospects to become suppliers of Large Enterprises or export-oriented, (2) How is the effect of strengthening and increasing the competitiveness of MSMEs in supporting economic growth in South Sulawesi, (3) What are the development and education strategies that need to be carried out for MSMEs and coaching agencies at the levels provincial and district/city in the context of strengthening and increasing the competitiveness of MSMEs, (4) How to review and determine strategies for strengthening and increasing the competitiveness of MSMEs in South Sulawesi, (5) How to build a model for strengthening and increasing the competitiveness of MSMEs in supporting the economic growth of South Sulawesi, (6) How to apply the model for strengthening and increasing the competitiveness of MSMEs in Sulawesi South.

Starting from the problem of this research, the specific objectives of this research for 3 years (2021-2023) are: 1) Mapping MSMEs in South Sulawesi which have prospects to become suppliers of Large Enterprises or export-oriented, 2) Analyzing the effect of strengthening and increasing the competitiveness of MSMEs in supporting the economic growth of South Sulawesi, 3) To provide guidance and education to MSMEs and fostering agencies at the provincial and district in strengthening and increasing competitiveness, 4) Review and determine strategies for strengthening and increasing the competitiveness of SMEs in South Sulawesi, 5) Building a model for strengthening and increasing the competitiveness of SMEs in South Sulawesi and 6) Applying the model of strengthening and increasing the competitiveness of MSMEs so that they are able to support South Sulawesi's economic growth.

Competitiveness Concept is: (a) the company's commitment to market competition and success in market competition itself (Markovics, Clark, et al, 2005); (b) a set of institutions, policies and factors that determine the level of productivity, (c) the superiority of the company in producing goods or services through the utilization and management of various resources, as well as the support of various policies and programs, such as reducing transaction costs, increasing innovation, increasing availability of skilled labor, supply of cheap and quality raw materials, and provision of adequate infrastructure (William, et al, 2011); d) the ability to produce products and services that are influenced by (1) resource factors; (2) demand conditions; (3) existence of supporting industries; and (4) strategy, structure and competition in the business world (Porter, 1995).

Gal, Andrea N (2010) stated that there are two consensus references in the study of the competitiveness of a company, namely (1) the competitiveness of the company cannot be separated from the competitiveness of the products it produces, because both are influenced by price and non-price factors; and (2) a company's competitiveness is a combination of factors that form competitiveness that need to be evaluated from time to time based on dynamic changes. "The level of competitiveness of a country in the international trade arena

is basically determined by two factors, namely comparative *advantage and competitive advantage*" (Tambunan, 2008).

Salamon, et al. (2004) explained that competitiveness generally depends on economic conditions (price, cost, income, market conditions, subsidies and absorption) on the one hand, and natural (climate, soil conditions, humidity) and factory conditions (type of factory, structure, supply of goods and services). resources) on the other. The essence of this model is that a country's competitive advantage is made possible by four correlated features of the local economic environment (Lloyd-Reason and Wall, 2000). The four stages, in development order, are (1) the factor-driven stage, (2) the investment-driven stage, (3) the innovation-driven stage, and (4) the wealth-driven stage. Porter (1998) explains that only in the innovation-driven stage can the full impact of the four diamond pillars be realized and a sustainable competitive advantage truly achieved.

The importance of government support in community empowerment is also based on the idea of *community-based resource management*, which is a development management figure that tries to answer development challenges, namely poverty, environmental degradation, and lack of community participation in the development process concerning them. This thinking is a people-centered development planning mechanism (human-oriented development) that emphasizes social learning technology (social learning) and program formulation strategies that aim to increase the community's ability to actualize themselves (*empowerment*).

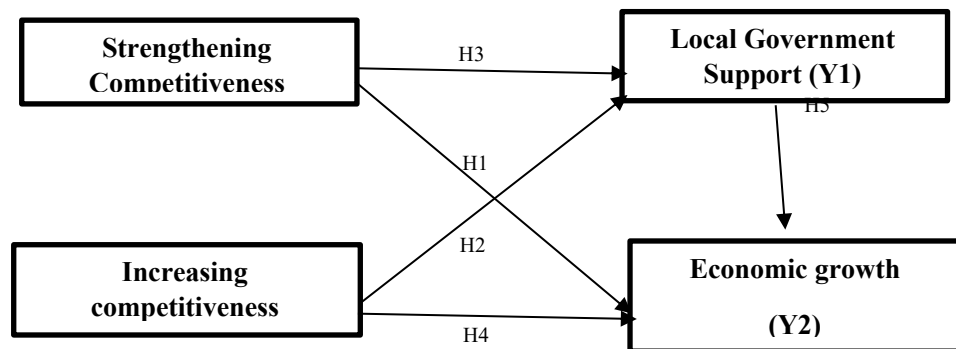
According to Supriatna (2000), the things that need to be demonstrated by local governments in the context of supporting people's economic empowerment are: (a) helping the community to provide empowerment programs in the field of economy and community welfare, (b) helping the community facilitate community economic activities (provision of economic facilities), and (c) assisting in increasing people's income through access to and encouragement of capital assistance.

In relation to strengthening and increasing the competitiveness of MSMEs, the support of local governments is very important so that MSMEs can grow and develop well so that with this support the competitiveness of MSMEs can increase in the face of an increasingly fierce competition era today.

In the world of regional and urban development planning, the techniques used to analyze the economic condition of a region can vary. To be able to analyze a regional economic situation, we need to first know what a regional economy is. Regional economy is an economy that emphasizes spatial aspects in economic analysis. Regional economics is a combination of traditional economics and location theory. The point is to discuss the sectors that will later be the output of the regional economy, namely clustering inter-sector.

To encourage South Sulawesi as the Main Pillar of National Development and the NodeNetwork of the Regional Welfare Acceleration, several policies or recommendations were made (RPJS 2013-2018), namely: (1) Export diversification strategy that leads to non-main trading partner countries, (2) Consistency of reform structurally through strengthening the agribusiness industry, (3) Expanding plant rejuvenation programs and supplying quality seeds, strengthening specific commodity institutions, and monitoring compliance with commodity quality standards; (4) Prepare vocational and technical vocational schools in accordance with sectors that become regional potentials; (5) Strengthening farmer and rancher institutions so that they have high competitiveness, (6) Regularly monitoring risks to corporate and household actors; (7) Improve MSME development and provision of MSME database/information in bankable areas, so that banks can follow up.

Starting from the formulation of research problems, the conceptual framework of this research is structured as follows:



**Figure: Conceptual Framework of Research**

Based on the conceptual framework of the research above, the hypothesis of this research is formulated as follows: 1) Strengthening competitiveness and increasing competitiveness have an effect positive and significant impact on economic growth, 2) Strengthening competitiveness and increasing competitiveness has a significant positive effect on government support, 3) Strengthening competitiveness and increasing competitiveness has a positive and significant impact on economic growth through government support and 4) Government support has a positive and significant impact on economic growth.

**RESEARCH METHOD**

Descriptive and analytical to provide a complete picture of the portrait of MSMEs in South Sulawesi. This study uses a quantitative approach which is then supported by a qualitative approach. The quantitative approach is carried out by conducting a survey to MSMEs in South Sulawesi with the help of a questionnaire. The qualitative approach was carried out by conducting in-depth interviews and FGDs. The population of this study is MSMEs in South Sulawesi, using a Stratified Proportion of Random Sampling approach, where sampling is based on certain levels and criteria so that the samples taken can represent the total population of MSMEs in four regions in South Sulawesi. For the sample, two districts were taken, namely Bulukumba and Bantaeng districts, and for the cities Makassar and Pare-Pare were taken. For the sample of respondents, 120 MSME actors were taken, 30 respondents were taken from each district/city. Data collection was carried out using a questionnaire containing various statements answered by research respondents. To test the reliability of the questionnaire, a test instrument conducted research validity and reliability. With validity and reliability tests, it is hoped instruments that are used in this study are valid and reliable.

Techniques The analysis technique for hypothesis testing is the *Structural Equation Model* (SEM) with the help of Software SPSS-25. These models are used to process primary data to see the effect and causality between variable research, namely exogenous variables (strengthening competitiveness and increasing competitiveness) on endogenous variables (economic growth) through mediating variables (support from local governments). In years II-III, this research uses the following analytical techniques: (a) *Situation Analysis* (beginning of the strategy formulation process), (b) *SWOT Analysis* (formulating the match between external opportunities and internal strengths, taking into account external threats and internal

weaknesses), and; (c) strategy analysis using *Porter's Diamond Model*." The Porter's Diamond concept states that "competitive advantage is created and maintained through a highly localized process." Differences in the structure, values, culture and economic institutions of a country or region affect its competitiveness along with traditional ideas about resources and factor prices (Porter, 2008).

## RESULTS AND DISCUSSION

Results of the validity test (competitive strengthening variable), obtained a correlation number (r count) which the result is greater than table, the required which is 0.176. The value of Correction Item Total Correlation (r count) of the Competitiveness Strengthening variable (X1) is between 0.193 - 0.841. These results indicate that the value of r count > 0.176 (r table), suggesting that all of the items a statement on the questionnaire Strengthening the Competitiveness is valid or capable of expressing something that will be measured by the questionnaire, so it can be used for further analysis

Test result validity (variable increase competitiveness) obtained a correlation number (r count) which the result is greater than table the required that is equal to 0.176. The value of Correction Item Total Correlation (r count) of the Competitiveness variable (X2) is between 0.665 - 0.884. These results indicate that the value of r count > 0.176 (r table), thus indicating that all statement items on the Competitiveness questionnaire are valid or able to reveal something that will be measured by the questionnaire, so that it can be used for further analysis.

Validity test results (government support variable) obtained a correlation number (r count) which the result is greater than r table the required that is equal to 0.176. The value of Correction Item Total Correlation (r count) for the Local Government Support variable (Y1) is between 0.698 - 0.874. These results indicate that the value of r count > 0.176 (r table), thus indicating that all statement items on the Regional Government Support questionnaire are valid or able to reveal something that will be measured by the questionnaire, so that it can be used for further analysis.

The results of the validity test (economic growth variable) obtained a correlation number (r count) which is greater than the required r table, which is 0.176. The value of Correction Item Total Correlation (r count) of the Economic Growth variable (Y2) is between 0.196 - 0.820. These results indicate that the value of r arithmetic > 0.176 (r table), thus indicating that all statement items on the Economic Growth questionnaire are valid or able to reveal something that will be measured by the questionnaire, so that it can be used for further analysis.

### Research Questionnaire Reliability Test Results

No	Variable	Cronbach's Alpha	Reliability Standards	Remarks
1	Strengthening Competitiveness (X1)	0,877	0.60	Reliable
2	Increasing Competitiveness (X2)	0,942	0.60	Reliable
3	Local Government Support (Y1)	0,932	0.60	Reliable
4	Economic Growth (Y2)	0.890	0.60	Reliable

Source: Output of Data Processed

### Regression Coefficient Test

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.751 <sup>a</sup>	.564	.556	4245

a. Predictors: (Constant), Increasing Competitiveness, Strengthening Competitiveness

b. Dependent Variable: Local Government Support

Source: Output of Data Processed

Effect of Strengthening Competitiveness (X1), and Increasing Competitiveness (X2) Towards Local Government Support (Y1)

### Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	9768	2474		3949	.000		
	Strengthening the Competitiveness	-.033	.074	-.035	-.447	.656	.602	1662
	Competitiveness Improvement	.069	.773		.679	.000	.602	1,662

a. Dependent Variable: Local Government Support The

Source: Output of Data Processed

The equation obtained from the analysis is  $Y_1 = 9.768 + (-0.033 X_1) + 0.679X_2$ . Constants / intercept 9768 indicates that if the variable X konstaan, then the average value of the variable Y1 will amount to 9,768. While the regression coefficient ( $\beta_1$ ) = (-0.035) indicates that if the variable X1 (Strengthening Competitiveness) increases by 1 unit, then the variable Y1 (Local Government Support) will increase by (-0.03) and ( $\beta_2$ ) = 0 ,77 indicates that if the variable X2 (Improvement of Competitiveness) increases by 1 unit, then the variable Y1 (Support of the Regional Government) will increase by 0.679

The equation of the path means that Strengthening Competitiveness and Increasing Competitiveness of Local Government Support is negative and positive, where when the Strengthening of Competitiveness and Competitiveness increases, it will be followed by an increase in Local Government Support.

Based on the table above, the interpretation of the path equation model can be obtained as follows: a) The significant value of Strengthening Competitiveness (X1) is 0.656 > 0.05. This means: H1 = There is no positive effect (Constant value -0.033) Strengthening Competitiveness (X1) on Local Government Support (Y1) and b) The significant value of Competitiveness Improvement (X2) is 0.000 > 0.05. This means: H2 = there is a positive effect (constant value 0.679). Improvement of Competitiveness (X2)of the Local Government Support (Y1)

From the table above can be seen the influence of figures on standardized coefficients, the influence Strengthening the Competitiveness (X1) of the Local Government Support (Y1)is approximately -0.033 or -3.3%. For Increasing Competitiveness (X2) to Local Government Support (Y1) is 0.773 or 77.3%. For the value of  $e_1 = (1-0.564) = 0.436$ . Thus, the structure path diagram I is obtained as follows.



### Simultaneous Test of First Equation Model

#### ANOVA<sup>a</sup>

<i>Model</i>		<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	Regression	2725,995	2	1362,998	75,655	000 <sup>b</sup>
	Residual	2107,871	117	18,016		
	Total	4833,867	119			

a. Dependent Variable: Local Government Support

b. Predictors: (Constant), Increasing Competitiveness, Strengthening Competitiveness

Source: Output of Data Processed

Based on the table above, it can be concluded that Strengthening Competitiveness and Increasing Competitiveness have a simultaneous and significant effect on Local Government Support. This can be seen from the calculated F value above which is 75,655 more greater than 2.69 and probability 0.000 less than 0.05,

Effect of Strengthening Competitiveness (X1), Competitiveness (X2) and Local Government Support (Y1) on Economic Growth (Y2).

#### Coefficients

<i>Model</i>		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>t</i>	<i>Sig.</i>	<i>Collinearity Statistics</i>	
		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>			<i>Tolerance</i>	<i>VIF</i>
1	(Constant)	18 579	3,444		5,395	.000		
	Strengthening the Competitiveness	.096 .437.601			4,914	.000	.474	1,665
	Increased Competitiveness	.122	.297	-.291	-2429	.017	.330	3.031
	Local Government Support	.695	.121	.600	5,751	000	.436	2,293

a. Dependent Variable: Economic Growth

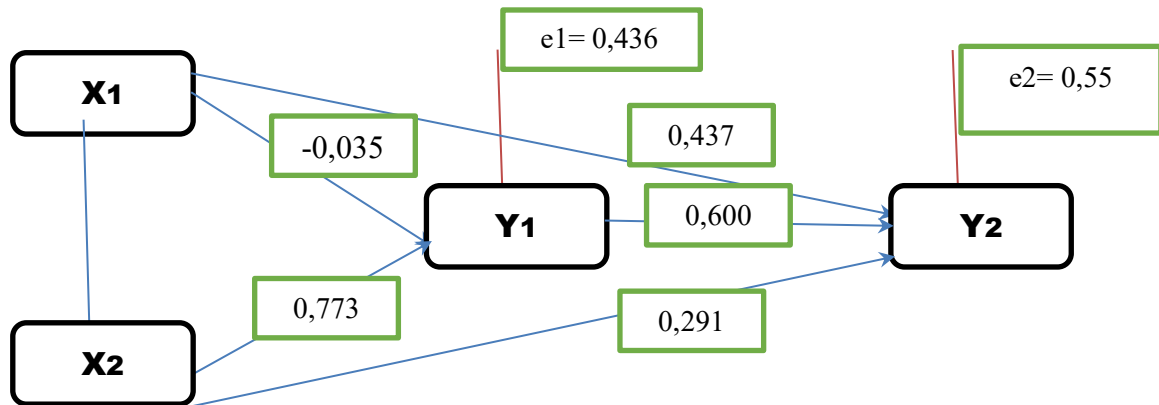
Source: Output of Data Processed

Based on the table above, it can be seen that: a) The significant value of Strengthening Competitiveness (X1) is 0.000 <0.05. This means that H3 = there is a direct and positive influence (value Constant 0.474) Strengthening the Competitiveness (X1) effect on Economic Growth (Y2), b) of the significant value Competitiveness Improvement (X2) amounted to 0.017 <0.05. This means: H4 = there is a direct and positive effect (constant value 0.297). Increased



Competitiveness (X2) has an effect on Economic Growth (Y2) dan c) The significant value of Local Government Support (Y1) is  $0, < 0.05$ . This means: H5 = There is a direct and positive effect (constant value 0.695). Local Government Support (Y1) has an effect on Economic Growth (Y2)

Thus, the structure path diagram II is obtained as follows:



Exogenous	Variables Mediation-Endogenous Variables Keef	Symbol	Beta	Sig	Stand Error
Strengthening Competitiveness (X1)	Local Government Support (Y2)	X1 -----> Y1	-0.035	0.656	0.074
Increased Competitiveness (X2)		X2 -----> Y1	0.773	0.000	0.069
Strengthening Competitiveness (X1)	Economic Growth (Y2)	X1 -----> Y1	0.437	0.000	0.096
Competitiveness Improvement (X2)		X2 -----> Y2	0.291	0.017	0.122
Local Government Support (Y1)		Y -----> Y2	0.600	0.000	0.121

Source: Output of Data Processed

No	Variable	Direct Effect Coeff (Standardized)	Unstandardized Coeff	Standard Error	Sign < 0.5
(a)	(b)	(c)	(d)	(e)	(g)
1	Y1---Y2	0.600	0.695 (b)	0.121 (sB)	
2	X1--□ Y2	0.437	0.474	0.096	
3	X2--- □ Y2	0.291	0.297	0.122	
4	X1--- □ Y1	-0.035	-0.033 (a1)	0.074 ( sa1)	
5	X2--□ Y1	0.773	0.679(a2)	0.069 (sa2)	
6	X1--□ Y1--□ Y2				
7	X2--□ Y1--□ Y2				

Effect is not la direct ( X1 --□ Y1---□ Y2)

Input:	Test statistic:	Std. Error:	p-value:
a <input type="text" value="-0.033"/>	Sobel test: <input type="text" value="-0.44460793"/>	<input type="text" value="0.05158477"/>	<input type="text" value="0.65660312"/>
b <input type="text" value="0.695"/>	Aroian test: <input type="text" value="-0.43805769"/>	<input type="text" value="0.05235612"/>	<input type="text" value="0.66134446"/>
sa <input type="text" value="0.074"/>	Goodman test: <input type="text" value="-0.45146109"/>	<input type="text" value="0.05080172"/>	<input type="text" value="0.65165726"/>
sb <input type="text" value="0.121"/>	<input type="button" value="Reset all"/>	<input type="button" value="Calculate"/>	

Based on the Sobel test, there is no indirect effect  $X1 \rightarrow Y1 \rightarrow Y2$ ,  
H6 ; Because the p-value (0.655) is still greater than 0.5.

**Indirect effect (  $X2 \rightarrow Y1 \rightarrow Y2$  )**

DV via the mediator is significantly different from zero.

Input:		Test statistic:	Std. Error:	p-value:
a	0.463	Sobel test: 4.50671955	0.0396559	0.00000658
b	0.386	Aroian test: 4.48060176	0.03988705	0.00000744
s <sub>a</sub>	0.064	Goodman test: 4.53329946	0.03942338	0.00000581
s <sub>b</sub>	0.067	Reset all	Calculate	

Based on the Sobel test. no indirect effect  $X2 \rightarrow Y1 \rightarrow Y2$ ,  
H7 ; Because the p-value (0.000) is still greater than 0.5

**CONCLUSIONS**

The results of the study indicate that there is a positive and significant effect of increasing competitiveness on local government support, there is a positive and significant effect of strengthening and increasing competitiveness on Sulawesi's economic growth South Sulawesi, there is a positive and significant influence of Local Government Support on Economic Growth of South Sulawesi, there is a positive and significant effect of Increasing Competitiveness on Economic Growth of South Sulawesi through Local Government Support.

The results also show that there is no significant effect of Strengthening Competitiveness on Local Government Support and on Economic Growth through Local Government Support.

For this reason, the target of this research to build a model of MSME competitiveness is important to realize in the next research stage, namely in 2022 and 2023.

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