THE ROLE OF SMALL AND MEDIUM MICRO ENTERPRISES (MSMEs) IN ECONOMIC DEVELOPMENT IN CIREBON DISTRICT

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ABSTRACT
SMEs are in a position strategic for speed up change structural To use increase level life many people, and is a place where producers and consumers operate together . If MSMEs become entity production and competition main in economy nationally , the Indonesian economy will have solid foundation . _ Importance the role of SMEs, goals from study this is for identify the role of MSMEs and the problems they face perpetrator MSME business in development economy . Type study this is studies case with use approach qualitative . Respondent study this are SMEs in Cirebon Regency . Source of data obtained from primary and secondary data through technique data collection with use interviews , observations and documents . Data analysis techniques work with research data with method listen , select data, analyze data, and draw conclusion . Finding study this is the role of SMEs is expected could expand opportunity work , give significant contribution _ to growth economy , balance growth income , as well as increase power competitiveness and resilience economy national . difficulty and cost ingredient raw , distribution operation hampered , capitalization and production obstructed . Recommendation from study this is effort micro and small expected could adapt with technology moment this for increase power competitive product and optimize potency institution finance that can Becomes alternative source funding for rural SMEs.

Keywords: MSMEs, and National Economic Development.

INTRODUCTION
Indonesia as a developing country in economic development does not escape development planning in its efforts to increase economic growth and people's welfare (Hariyono, 2010). In development planning, the stakeholders of each region can determine the strategic preparation process so that it can take place in a participatory manner. As mandated by Law no. 25 of 2004 concerning the National Development Planning System, the community is an important part of the existing stakeholders. The community is involved as a form of planning environmental mapping because the community is the one who knows best about the condition of the environment.

The more developed a country, the more educated people, and the more unemployed people, the more important the entrepreneurial world is felt. Development will be more stable if it is supported by entrepreneurs because the government's capacity is very limited. The government will not be able to work on all aspects of development because it requires a lot of budget, personnel, and supervision. Therefore, entrepreneurship is a development potential, both in number and in the quality of entrepreneurship itself. With an intention or desire to become an entrepreneur, it will be a step at least as a hope for the realization of equitable development and community welfare (Putra, 2016).

Micro , small and medium enterprises is group perpetrator economy biggest in the Indonesian economy and has proven Becomes valve safety economy national at the moment crisis and mover growth economy post crisis economy . Structure an economy dominated by
corporations big with very fragile performance give lesson to Indonesia which is very detrimental to Indonesia in crisis economy 1997. There are several lessons that can be picked from crisis economy. First, development an economy that doesn't depend on strength alone, but relying on debt and imports, easy affected by change factor external. Second, structure an economy dominated by corporations big no enough for produce structure social a strong economy, although very fragile at times occur crisis. Third, SMEs create activity economy carried out by the community with depend on strength alone, as group business that can becomes buffer moment Indonesia’s economy is experiencing crisis. (Singgih, 2007).

Micro, Small and Medium Enterprises (MSMEs) are one of the community entrepreneurs with a tendency to survive and even increase in number even during the monetary crisis (Putra, 2016). MSMEs are an alternative choice for the community because the invested capital is still affordable in opening the MSME business. According to information in the field, MSMEs can be used to help improve the welfare of the surrounding community, because the community can open up job opportunities for themselves and the surrounding community. In line with Ashari (2006) in accordance with the characteristics of their business scale, micro and small businesses do not require too large a capital. However, these MSME actors have problems faced by MSMEs such as declining sales/demand, difficulty and high cost of raw materials, hampered operational distribution, capitalization, and hampered production.

Despite the small capital requirement, this very large business unit causes a lack of interest in large formal banking institutions to finance micro/small businesses because the transaction costs are very high. In addition, formal financial institutions generally treat small businesses the same as medium and large businesses in applying for financing, including covering adequacy of guarantees, capital, and business feasibility (requirements 5-C). This requirement is considered very burdensome for micro/small business actors in accessing formal banking institutions. Therefore, it is necessary to develop Microfinance Institutions that can support MSME business actors so that they can realize their role in economic development.

Based on the importance of the role of MSMEs in economic development, this study wants to know the role of MSMEs and the problems faced by MSME business actors in economic development.

**RESEARCH METHOD**

Type study this is studies case with use approach qualitative. Respondent study this are SMEs in Cirebon Regency. There are two data source, namely primary data sources and secondary data sources. Source of primary data obtained through interview and observation with respondents. Whereas secondary data source obtained through documentation related literature review with problem or existing limitations. Data collection techniques using interviews, observations and documents. Data analysis techniques work with research data with method listen, select data, analyze data, analyze data, and draw conclusion.

**RESULT AND DISCUSSION**

Micro, Small and Medium Enterprises (MSMEs) occupy a strategic position to accelerate structural changes in order to improve the standard of living of many people and are a place for joint business activities for producers and consumers. Economic development can be defined as every activity carried out by a country in order to develop economic activities and the standard of living of its people (Arsyad, 2017). The Indonesian economy
will have a strong foundation if MSMEs become the main productive and competitive actors in the national economy. For this reason, the development of micro, small and medium enterprises needs to be the main priority of national economic development in the long term (Setyawat, 2009).

The role of SMEs in Indonesian economy at least could be seen from aspects following this: (1) They is player main in activity economy in various industry, (2) Provider field work biggest, (3) Player important in development. Activity economy local and empowerment community, (4) creators of new markets and resources innovation, and (5) its contribution in guard balance sheet payment through activity export. When the crisis hit position important this, no everything succeed maintained, so that recovery economy Becomes less than optimal. For reach destination development economy, SMEs need pay attention, because. With condition Indonesian economy today this, it's hard for interesting investment. For reason this, investment limited need poured out for build entrepreneur new (Setyawati 2009).

The role of SMEs in construction entrepreneurship expected capable expand opportunity work, give significant contribution to growth economy, equity growth income, as well as increase power competitiveness and resilience economy national. However according to results Interview with MSME actors, MSMEs are faced with a decline in sales/requests, materials difficult and expensive raw materials, allocation hampered operations, hampered capital and production. Since facing the COVID-19 pandemic SMEs, the problem The biggest problem experienced by MSMEs is drop sales, so buyer/requests goods calm and capitalized SMEs.

For resolve the above problem, it is necessary steps strategic for increase power competitiveness and develop SMEs. Government have position strategic in develop SMEs through various policies that can support SME development. The role of SMEs in development economy national and various problems faced by MSME actors, the Cirebon Regent, MSME coaches have prepare various mentoring programs for enable effort micro, small and medium enterprises (MSMEs) from impact impact development. Covid-19 pandemic. With facilitate perpetrator effort. Projects offered range from loan without flowers, help tools and machines until provision of business booths. Even for problem MSME funding, DKI Provincial Government cooperates with Bank Mandiri for give subsidy to SMEs in form loan without flower. Target is effort snacks, fried and angkringan. It also increases quality source power human and integrate development business in context development area.

Besides that, Government Cirebon Regency has channel Banpre Productive Micro Enterprises (BPUM) as part from Plan National Economic Recovery as part from Plan National Economic Recovery for help perpetrator effort micro permanent continue his business During help crisis pandemic. Besides help in form subsidy loan, government Cirebon Regency also offers sale kiosk at Taman UMKM in Bang Kano. monitored that the MSME Park Event was held routine every weekends, Saturdays and Sundays, and the enthusiasm of the performers MSMEs and their buyers high. So that the perpetrators business in Cirebon Regency can recover from pandemic with help SME park. Besides That is, MSME Park activities remain obey protocol health for prevent spread of viruses, including control appearance case new in Cirebon Regency.

Government Cirebon Regency is planning support implementation of the People's Economy for development and well-being society. Form economy real citizenship is Support towards Micro, Small and Medium Enterprises (MSMEs), whose production for sale no only in local market, but also outside area and develop (Putra, 2016). Support provided Cirebon City Government to SMEs are expected impact positive, with existence participation
active Public in the program, so that could realize the role of SMEs in development economy regional and national.

issues that arise is MSME capital in run and develop his efforts. MSMEs more susceptible to capital starvation because they is house ladder industrial and commercial individual and only rely on limited funds from owner effort. The difficulty owner effort get business capital loan from the bank because problem administrative and technical capability borne by the perpetrator commercial. Development effort micro, small and medium no miss from role institution finance micro (Microfinance Institutions), because institution finance micro is expected party could give support finance to effort micro, small and medium. Industry service finance play role important in distribution credit to MSMEs.

A number of steps taken government is Credit People's Commercial (KUR) which contains: scheme credit / financing for working capital and/ or investment in MSMEs and cooperatives in the sector effort productive. Regardless from phenomenon that, one condition development effort micro, small and medium is empowerment institution finance micro. Aspect empowerment institution finance micro covers two aspect, that is aspect regulation and strengthening institutional, which aims for push institution finance micro Secrete more policy conducive for effort small and medium, especially in Thing access capital. Empowerment of MFIs structured and sustainable could push enhancement productivity and power competitiveness of SMEs and grow Entrepreneur tough new.

one institution finance that can utilized and encouraged for finance activity rural economy is a Financial Institution Micro (MFI), where part big effort residents in rural areas are in the sector micro. The agency actually has grow and take root in society rural however not yet utilized optimally (Ashari, 2006). Responding to problem limited funds and declining ability finance government, need more optimizing poteny institution finance for Becomes alternative source of funds for effort small and medium in society countryside.

CONCLUSION
Small, medium and micro enterprises is manufacturers and competitors main in economy national. For that, development effort small, medium and micro need Becomes priority main development economy national. The role of SMEs is expected capable expand opportunity work, give significant contribution to growth economy, equity growth income, as well as increase power competitiveness and resilience economy national. The problems faced by MSMEs include the decline in sales / requests, difficulties and costs ingredient high standard, allocation hampered operations, hampered capital and production. Since facing the COVID-19 pandemic SMEs, the problem The biggest problem experienced by MSMEs is sale down, so buyer / request goods Becomes calm and capitalized SMEs. one institution finance that can utilized and encouraged for finance activity rural economy is a Financial Institution Micro (MFI). Recommendation in study this is effort micro and small expected could adapt with technology moment this for increase power competitive product and optimize poteny institution finance that can Becomes alternative source funding for MSMEs in the community countryside.

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