



# PTKIN'S CONTRIBUTION IN EMPOWERING MICRO, SMALL AND MEDIUM ENTERPRISES (STUDY AT IAIN PAREPARE)

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## ABSTRACT

Empowerment is a complex and multidimensional approach in overcoming inequality and social disability. Micro, Small and Medium Enterprises Empowerment has emerged as a potential solution in overcoming various social and economic challenges, especially in developing countries such as Indonesia. This study aims to identify the real contribution of IAIN Parepare in supporting the empowerment of Micro, Small and Medium Enterprises in Parepare City. The method used is a qualitative descriptive method. Data collection was conducted through in-depth interviews with Micro, Small and Medium Enterprises owners and the chairman of the Institute for Research and Community Service (LPPM) and IAIN Parepare Lecturers. In addition, documentation and observation are also carried out to gain a deeper understanding. Sampling of Micro, Small and Medium Enterprises using the snowball sampling technique. The results of the study show that IAIN Parepare has made positive contributions, namely: 1) Having a Commitment to Empowering MSMEs, 2) Organizing MSME Education and Training Activities, 3) Providing Consulting Services and Business Assistance for MSMEs, 4) Providing Information on Research Results on MSMEs, 5) Providing Access to Resources, and 6) Encouraging MSME Network and Cooperation.

**Keywords:** MSME empowerment; PTKIN; training and mentoring

## 1. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) have a very important role in economic growth as a sector that maintains economic stability<sup>1</sup>. Around 90% of the total businesses worldwide are contributed by Micro, Small and Medium Enterprises, which shows how significant this sector is in creating jobs and stimulating economic activity.<sup>2</sup> Micro, Small and Medium Enterprises serve not only as providers of products and services, but also as drivers of innovation and entrepreneurship, enabling communities to develop new ideas and capitalize on market

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<sup>1</sup> Salman Al Farisi, Muhammad Iqbal Fasa, and Suharto, 'The Role of MSMEs (Micro, Small and Medium Enterprises) in Improving Community Welfare', *Journal of Sharia Economic Dynamics*, 9.1 (2022), pp. 73–84, doi:10.53429/jdes.v9iNo.1.307.

<sup>2</sup> Khabib Alia Akhmad, Taufik Maulidavito, and Yosua Tri Prakoso, 'Application of Information Technology Applications in Micro, Small and Medium Enterprises (MSMEs)', *Journal of Business Management and Accounting (BISMAK)*, 2.2 (2022), pp. 33–36, doi:10.47701/bismak.v2i2.2150.

opportunities, and providing employment. In the context of globalization, Micro, Small and Medium Enterprises also play a role in strengthening connections between domestic and international markets.<sup>3</sup>

Empowerment of Micro, Small, and Medium Enterprises plays a central role in inclusive and sustainable economic growth.<sup>4</sup> At a basic level, empowerment of Micro, Small and Medium Enterprises encompasses a range of actions and support aimed at providing Micro, Small and Medium Enterprise owners with access to the resources, skills, capital and opportunities they need to grow and prosper.<sup>5</sup> This involves various aspects, including skills training, access to finance, technical support, marketing promotion, and integration into larger supply chains. The empowerment of Micro, Small and Medium Enterprises not only has a positive impact on their owners, but also on society and the economy as a whole. Micro, Small and Medium Enterprises are often the main providers of employment,<sup>6</sup> help reduce the unemployment rate,<sup>7</sup> and increase family income.<sup>8</sup> They also support economic diversity by producing products and services that reflect local cultures and needs.<sup>9</sup>

Parepare is one of the municipalities in South Sulawesi Province that has a positive development level in terms of the growth of Micro, Small and Medium Enterprises. The growth of Micro, Small and Medium Enterprises in this area not only provides new colors for the local economy, but also encourages entrepreneurial innovation and creativity to advance to a higher level. The following is complete data on the development of Micro, Small and Medium Enterprises in Parepare City.<sup>10</sup>

**Table 1.** Data on Micro, Small and Medium Enterprises in Parepare City

No	Year	Number of Micro, Small and Medium Enterprises	Growth
1	2021	2.200	-
2	2022	15.004	12.804
3	2023	16.370	1.366

Source: Parepare City Manpower Office 2023

Table 1 explains that the growth of Micro, Small and Medium Enterprises in Parepare City is quite significant. It was noted that 2022 was the year with a total growth of 12,804 Micro, Small and Medium Enterprises. This period is the post-covid-19 pandemic period where many

<sup>3</sup> Oxana Palamarchuk and Tetiana Kuznietsova, 'International Business Strategies to Increase the Level of Competitiveness of Enterprises', *University Economic Bulletin*, 54, 2022, pp. 45–53, doi:10.31470/2306-546X-2022-54-45-53.

<sup>4</sup> Muthi'atul Khasanah and others, 'The Role of Social Entrepreneurship in Achieving the Sustainable Development Goals (SDGs)', *West Science Journal of Economics and Entrepreneurship*, 1.03 (2023), pp. 226–35, doi:10.58812/jekws.v1i03.528.

<sup>5</sup> Debi S Fuadi, Ade Sadikin Akhyadi, and Iip Saripah, 'Systematic Review: Strategies for Empowering MSME Actors Towards a Digital Economy Through Social Action', *Diklus: Journal of Out-of-School Education*, 5.1 (2021), pp. 1–13, doi:10.21831/diklus.v5i1.37122.

<sup>6</sup> Sudati Sarfiah, Hanung Atmaja, and Dian Verawati, 'MSMEs as Pillars of Building the Nation's Economy', *Journal of REP (Development Economics Research)*, 4.2 (2019), pp. 1–189, doi:10.31002/rep.v4i2.1952.

<sup>7</sup> Asnah Tul Ramadani, Junaidi, and Zulfa Eliza, 'The Effect of MSME Growth, Inflation, and Unemployment Rate on Economic Growth in Indonesia', *Journal of Islamic Investment*, 5.2 (2021), pp. 153–73, doi:10.32505/jii.v5i2.2392.

<sup>8</sup> Adi Wijaya and others, 'Increasing the Resilience of MSMEs and PKK Groups in Kampung Ketupat Samarinda City Facing the Pandemic Crisis', *Jurnal Pustaka Mitra (Center for Access to Community Service Studies)*, 2.2 (2022), pp. 70–75, doi:10.55382/jurnalpustakamitra.v2i2.151.

<sup>9</sup> Maria Christiana Iman Kalis, M. Irfani Hendri, and Heni Safitri, 'MSME Development Strategies Based on Local Wisdom in Supporting the Regional Economy After the Covid-19 Pandemic', *MBIA*, 22.2 (2023), pp. 230–44, doi:10.33557/mbia.v22i2.2384.

<sup>10</sup> Parepare City Manpower Office, 'Number of Cooperatives and Micro, Small and Medium Enterprises in Parepare City in 2023', Pareparekota.Go.Id, 2023 <<https://satudata.pareparekota.go.id/index.php/2023/10/04/jumlah-kóp-dan-umkm-di-kota-parepare-tahun-2023/>> [accessed 26 November 2023].

businesses that previously went out of business have risen again and enlivened the Micro, Small and Medium Enterprises sector. Overall, Micro, Small and Medium Enterprises in Parepare City continue to grow and experience an increase not only in quantity, but also in the level of quality. This condition also contributed to an increase in the economic growth of Parepare City, which amounted to 5.6%.<sup>11</sup>

IAIN Parepare as one of the universities in Parepare City has contributed to increasing the capacity of Micro, Small and Medium Enterprises in the Parepare City area in various aspects. This can include entrepreneurship education, business management, the application of technology in production and marketing, as well as the introduction of business practices in accordance with Islamic principles. IAIN Parepare can be a mediator, facilitator or initiator in the development of Micro, Small and Medium Enterprises in Parepare City.

This research will look at how IAIN Parepare contributes to the empowerment of Micro, Small and Medium Enterprises (MSMEs) in Parepare City. By applying an interdisciplinary approach between IAIN Parepare and Micro, Small and Medium Enterprises actors, it is expected that creative solutions will emerge to overcome the obstacles faced by Micro, Small and Medium Enterprises. Based on this background description, the author feels the need to convey to readers the contribution of IAIN Parepare in empowering micro, small and medium enterprises (MSMEs) in Parepare City.

## 2. METHODS

This type of research, which is descriptive qualitative as well as *field* research, aims to reveal facts or events systematically and accurately about the object that is the focus of research.<sup>12</sup> The types of data in this study are divided into two, namely: Primary data in the form of main data directly obtained from the field through observation, interviews and documentation. Determination of informants was carried out using *snowball sampling* technique by determining several Micro, Small and Medium Enterprises located in Parepare City which represented various MSME sectors. Secondary data is data obtained indirectly, which comes from documents in the form of books, research results and photos which are quite valuable and are often used to examine subjective aspects, and are analyzed inductively. There are several types of instruments used by researchers, including:

Observation guide: Tools used as guidelines in collecting data during the research process.

1. Interview guide: A tool in the form of a list of questions used to collect data through interviews.
2. Documentation data: Records of events, both in the form of direct writing, archives, and photographs of activities taken during the research.

The data obtained by the researcher is first processed into a concept that can support the object of research. The first step that will be used is the description method, in order to describe the state of the object or material regarding the Contribution of IAIN Parepare, The second step that will be used is the comparative method, which is a way that is done by comparing one data with other data. Then try to produce conclusions in the form of researcher arguments.

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<sup>11</sup> Akbar Hamdan, 'Micro, Small and Medium Enterprises Grow, Parepare City's Economy Increases, Parepos. Co.Id, 2023 <<https://parepos.fajar.co.id/2023/12/umkm-tumbuh-perekonomian-kota-pare-pare-meningkat/>>.

<sup>12</sup> Muhammad Rijal Fadli, 'Understanding the Design of Qualitative Research Methods', HUMANIKA, 21.1 (2021), pp. 33–54, doi:10.21831/hum.v21i1.38075.

Data analysis in this study can be interpreted as an activity of discussing and understanding data to find meaning, interpretation and certain conclusions from the overall data in the study. Data analysis can also be interpreted as a process of addressing data, compiling, sorting and processing it into a systematic and meaningful arrangement. Data analysis in qualitative research requires conceptuality, namely the process of compiling concepts carried out before entering the field. Then proceed with categorization and description where this is done while in the field. Data analysis in this study uses,<sup>13</sup> stated that the data collection process carried out three important activities including data reduction (*data reduction*), data presentation (*data display*), verification (*verification*).

Data reduction is a process of summarizing or selecting the main things.<sup>14</sup> The data obtained from the field is quite a lot so it needs to be recorded carefully and in detail. Data reduction takes place during the data collection process, at this stage coding, summarizing and partitioning (parts) will also take place. This transformation process continues until the final research report is complete. After the data reduction process, the next step taken by the researcher is to present the data. Presentation of data is an arranged set of information that gives the possibility of drawing conclusions and taking action. Presentation can take the form of brief descriptions, charts, or relationships between categories, but in qualitative research it is usually presented in a narrative. Presentation of data aims to enable researchers to understand what is happening in planning the next action to be taken.

The final step in the research is conclusion drawing and verification. The process from the beginning of data collection, then the researcher summarizes the problems in the field, then makes notes to draw conclusions. Usually, the initial conclusions are still temporary and may change during the data collection process. But the conclusion can be a credible conclusion if supported by valid and consistent data.

### 3. RESULTS AND DISCUSSION

#### a. IAIN Parepare Committed to Empowering MSMEs

Commitment is a strong desire to do everything. Related to the empowerment of MSMEs in Parepare City, IAIN Parepare has a commitment in carrying out all MSME empowerment activities in this city. This is in line with the results of interviews conducted with several informants about IAIN Parepare's commitment in developing Micro, Small and Medium Enterprises. Interviews conducted with informant 1 (Rector of IAIN Parepare), on July 1, 2024 stated that:

"IAIN Parepare is committed to not only acting as an educational institution, but also as an agent of social and economic change. The empowerment of Micro, Small and Medium Enterprises is one of our main focuses in research and community service. Through various programs, such as entrepreneurship training, business incubation, and mentoring, we strive to strengthen the capacity of Micro, Small and Medium Enterprises actors so that they are able to compete in a wider market".<sup>15</sup>

The Chancellor also emphasized the importance of the business incubation program that IAIN Parepare has initiated. This program not only offers technical guidance, but also provides access to a wider business network and opportunities for funding. Informant 1 said that:

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<sup>13</sup> Mohamad Anwar Thalib, 'Miles and Huberman Model Data Analysis Training for Cultural Accounting Research', *Madani: Journal of Scientific Service*, 5.1 (2022), 23–33 <<https://doi.org/10.30603/md.v5i1.2581>>.

<sup>14</sup> Dedi Susanto, Risnita, and M. Syahran Jailani, 'Techniques for Checking the Validity of Data in Scientific Research', *QOSIM Journal of Social Education & Humanities*, 1.1 (2023), pp. 53–61, doi:10.61104/jq.v1i1.60.

<sup>15</sup> Interview with informant 1 (Rector of IAIN Parepare). July 1, 2024

"We want to ensure that Micro, Small and Medium Enterprises, especially those in Parepare, have a strong foundation to grow and innovate, he added".<sup>16</sup>

Informant 1's statement is in line with the concept of empowerment promoted by higher education, where the role of educational institutions is not only limited to the transfer of knowledge, but also includes the development of the economic capacity of the surrounding community. This shows how IAIN Parepare adapts to local needs, while supporting the achievement of sustainable economic development goals. Based on these interviews, it is clear that IAIN Parepare has a strong commitment in supporting the development of Micro, Small and Medium Enterprises in Parepare City. This not only reflects IAIN Parepare's mission to empower communities, but also demonstrates how higher education can be a catalyst for economic change. The author also conducted an interview with the Head of the Institute for Research and Community Service (LP2M) IAIN Parepare, namely informant 2, on July 2, 2024, who stated that:

"LP2M IAIN Parepare has a mission to integrate academic research and community service in order to have a positive impact on the development of Micro, Small and Medium Enterprises. He stated, 'We at LP2M are committed to bridging the needs of the community, especially Micro, Small and Medium Enterprises, with the resources and knowledge possessed by IAIN Parepare. Through various training, mentoring, and research programs, we strive to increase the capacity of Micro, Small and Medium Enterprises so that they are able to compete in the global era'.<sup>17</sup>

The interview aimed to gain deeper insights into LP2M's role in developing the capacity of Micro, Small and Medium Enterprises (MSMEs) in Parepare, as well as how LP2M contributes to community economic empowerment efforts through community service programs. Informant 2 explained some of the excellent programs that LP2M has run, including entrepreneurship training that focuses on product innovation and digital marketing. "We have conducted *Business Model Canvas* training, as well as various workshops related to the use of digital technology for marketing," he said. The program is designed to address the main challenges faced by Micro, Small and Medium Enterprises in Parepare, namely the lack of access to technology and managerial skills. The approach taken by IAIN Parepare's LP2M is in line with empowerment theory, which emphasizes the importance of improving the internal capacity of Micro, Small and Medium Enterprises through education and training. With a focus on innovation and digitalization, LP2M's programs seek to prepare Micro, Small and Medium Enterprises for global challenges, which is in line with the literature that emphasizes the importance of technology integration in small and medium enterprises".<sup>18</sup>

Through these interviews, it is clear that LPPM IAIN Parepare plays an important role in the empowerment of Micro, Small and Medium Enterprises in Parepare. With various training and mentoring programs that focus on innovation and digitalization, LP2M strives to improve the competitiveness of local Micro, Small and Medium Enterprises at the national and international levels. This contribution demonstrates how Islamic educational institutions can be a key driver in regional economic development.

### **b. IAIN Parepare Organizes MSME Education and Training Activities**

IAIN Parepare also organizes various MSME education and training activities through workshops, seminars and other activities involving Micro, Small and Medium Enterprises, lecturers, and business practitioners. This activity is not only a place to transfer knowledge, but also a forum to share experiences and expand business networks. In the growing digital era, many Micro, Small

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<sup>16</sup> Interview with informant 1 (Rector of IAIN Parepare). July 1, 2024

<sup>17</sup> Interview with Dr. Ali Rusdi, M.H.I (Chairman of LPPM IAIN Parepare). July 2, 2024.

<sup>18</sup> Interview with Dr. Ali Rusdi, M.H.I (Chairman of LPPM IAIN Parepare). July 2, 2024.

and Medium Enterprises need to adopt new marketing strategies to remain competitive. Research in this area explores various digital marketing methods, such as the use of social media, *e-commerce*, and content marketing. In addition, this research also examines the effectiveness of various traditional marketing channels and how Micro, Small and Medium Enterprises can integrate online and offline approaches to achieve optimal results. The results of this research provide practical guidance for Micro, Small and Medium Enterprises on how to utilize digital technology to expand market reach and increase sales. Several publications of scientific papers from IAIN Parepare lecturers who studied MSMEs were conducted by one of IAIN Parepare's lecturers, namely Adnan Hasan, MM, who raised the research title, "Analysis of Digital Marketing Capacity on Entrepreneurial Orientation and Marketing Performance of Micro, Small and Medium Enterprises".<sup>19</sup>

IAIN Parepare as an Islamic educational institution acts as a facilitator in the empowerment of Micro, Small and Medium Enterprises through training and mentoring. IAIN Parepare not only supports entrepreneurship education, but also helps improve the practical competencies of Micro, Small and Medium Enterprises actors, including the managerial skills outlined in Ulfa Hidayati's book.<sup>20</sup> With training that refers to management concepts such as those described by Ulfa Hidayati, IAIN Parepare can play a more significant role in helping micro, small and medium enterprises develop more effective and innovative management systems. The link between this book and the research on IAIN Parepare's role shows that educational institutions serve not only as knowledge providers, but also as key drivers in economic empowerment through the development of proper management for micro, small, and medium enterprises in the local area.

### **c. IAIN Parepare Provides Business Consultation and Assistance Services for MSMEs**

Business consultation and mentoring is one of the strategic efforts undertaken by IAIN Parepare to support the empowerment of Micro, Small and Medium Enterprises in Parepare. This program plays an important role in equipping Micro, Small and Medium Enterprises with the knowledge and skills necessary to improve the competitiveness and sustainability of their businesses. The business consultation and mentoring provided by IAIN Parepare focuses on providing guidance and practical solutions relevant to the specific needs of Micro, Small and Medium Enterprises, covering various aspects such as financial management, marketing strategies, product innovation, as well as technology development.

Interview with informant 3 (Business Incubation Center at IAIN Parepare) who stated that:

"IAIN Parepare's Business Incubation Center was established with the main objective of supporting local economic development through consulting and mentoring Micro, Small and Medium Enterprises. We at the Business Incubation Center are committed to providing an ecosystem that is conducive for Micro, Small and Medium Enterprises to grow and develop. With the support we provide, we hope that Micro, Small and Medium Enterprises can overcome the various challenges they face, be it in terms of capital, management, or marketing".<sup>21</sup>

Informant 3 highlighted some of the key programs implemented by the Business Incubation Center, including entrepreneurship training, business mentoring and access to investment networks. He adds,

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<sup>19</sup> Adnan Hasan, 'The Effect of Digital Marketing Capacity on Entrepreneurial Orientation and Marketing Performance of Micro, Small and Medium Enterprises', *S E I K O : Journal of Management & Business*, 6.2 (2023).

<sup>20</sup> Abdurohlim and others, 'Strategic Planning and Decision Making of MSMEs', in *MSME Management*, ed. by Fachrurazi (Eureka Media Aksara, 2023), p. 37.

<sup>21</sup> Interview with Dr. Abdullah Tahir, M.Si. (Chairman of the IAIN Parepare Business Incubation Center). July 8, 2024

“One of our flagship programs is providing entrepreneurial consultation and mentoring that focuses on product innovation and development. In addition, we also provide mentors who are experienced in the field of business to provide guidance to Micro, Small and Medium Enterprises, so that they can not only survive, but also compete in the wider market”.<sup>22</sup>

The approach taken by the Business Incubation Center shows that educational institutions such as IAIN Parepare can play a very important role in supporting Micro, Small and Medium Enterprises through business incubation. The programs organized, ranging from training to mentoring, are in line with business incubation theory which emphasizes the importance of all-round support for budding entrepreneurs. It also demonstrates IAIN Parepare's commitment in empowering MSMEs.

The provision of business consultation and mentoring by IAIN Parepare is an invaluable initiative in supporting the development of Micro, Small and Medium Enterprises in Parepare. By providing appropriate and continuous guidance, IAIN Parepare helps Micro, Small and Medium Enterprises to be more adaptive to market dynamics, more efficient in business management, and more innovative in developing products and services. This support not only strengthens the business foundation of Micro, Small and Medium Enterprises, but also contributes to the improvement of the local economy and overall community welfare.

IAIN Parepare provides comprehensive consulting services covering various important aspects of business, such as financial management, marketing, production, and product development. Consultations are provided by experts and lecturers who have extensive experience in their respective fields. Business mentoring is carried out on an ongoing basis, so that Micro, Small and Medium Enterprises get consistent support in their business development process. This allows businesses to not only gain theoretical knowledge, but also practical guidance that can be applied immediately.

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At the end of 2022, IAIN Parepare established a special institution for entrepreneurship called the business incubator center. This institution's role is not only to form young entrepreneurs from campus, but also to become an institution that can be a sharing partner for Micro, Small and Medium Enterprises that need business development studies. There are 15 Micro, Small and Medium Enterprises that have conducted business consultations and sharing with this institution. IAIN Parepare, through its Incubation and Entrepreneurship Center, plays an important role in mentoring Micro, Small and Medium Enterprises (MSMEs) with a focus on business capacity building. This mentoring encompasses a range of activities designed to help Micro, Small and Medium Enterprise actors develop the skills and knowledge necessary to effectively manage and grow their businesses. One of the key aspects of the program is organizational capacity building training, which aims to strengthen the internal structure and management of Micro, Small and Medium Enterprises. Businesses are taught how to build solid teams, create efficient operational systems, and implement good management practices.

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<sup>22</sup>Interview with Dr. Abdullah Tahir, M.Si. (Chairman of the IAIN Parepare Business Incubation Center). July 8, 2024

In addition to organizational capacity building, IAIN Parepare's Incubation and Entrepreneurship Center also pays special attention to marketing training. In this digital era, the ability to market products effectively is a key success factor for Micro, Small and Medium Enterprises. The marketing training program includes the use of social media, search engine optimization (SEO), content marketing, and other digital marketing strategies. The training is designed to help Micro, Small and Medium Enterprises understand how to utilize online platforms to reach a wider range of consumers, build a strong brand, and increase sales. With better marketing skills, Micro, Small and Medium Enterprises can compete more effectively in local and global markets. In general, in the aspect of providing consultation and business assistance conducted by IAIN Parepare, it is still relatively minimal in terms of the quantity of its activities. It can be seen that only a few activities from the campus target Micro, Small and Medium Enterprises to be given training and capacity building.

In addition, financial literacy training is also an important focus in efforts to empower Micro, Small and Medium Enterprises. This training is designed to increase the understanding of business actors on the importance of good financial management, which includes how to manage cash flow efficiently, prepare accurate financial statements, and improve their creditworthiness. With a deeper knowledge of these financial aspects, Micro, Small and Medium Enterprises (MSMEs) are expected to be able to manage their businesses more planned and responsive to changing market conditions. Strategies to improve the creditworthiness of Micro, Small and Medium Enterprises are also an important part of the proposed solution. Research shows that with a better understanding of the factors that affect creditworthiness, Micro, Small and Medium Enterprises (MSMEs) can be more proactive in meeting the necessary requirements, such as good financial records, providing adequate guarantees, and maintaining business reputation. This strategy, it is hoped that Micro, Small and Medium Enterprises can more easily access the financing they need to grow and develop.

#### **d. IAIN Parepare Provides Information on Research Results about MSMEs**

IAIN Parepare, has been active in producing research related to Micro, Small and Medium Enterprises (Micro, Small and Medium Enterprises). Research conducted by lecturers and students at IAIN Parepare covers various important aspects in the management and development of Micro, Small and Medium Enterprises, ranging from financial management, marketing strategies, product innovation, to government policies that have an impact on the business sector. These studies aim to make a real contribution to improving the competitiveness and sustainability of Micro, Small and Medium Enterprises in Parepare. In terms of financial management, the research conducted often highlights various challenges faced by Micro, Small and Medium Enterprises in managing their finances. One of the main challenges is the lack of understanding and skills in conducting accountable financial records. Many Micro, Small and Medium Enterprises (MSMEs) still use manual recording methods that are prone to errors and lack transparency, making it difficult for them to monitor their financial conditions in real-time. This untidy recording also has an impact on their ability to prepare the financial statements needed to apply for financing or participate in funding programs.

In addition, government policies that have an impact on Micro, Small and Medium Enterprises are also important subjects in the research conducted by IAIN Parepare. This study evaluates the effectiveness of various government programs and policies aimed at supporting Micro, Small and Medium Enterprises, such as microcredit programs, subsidies, and entrepreneurship training. This analysis helps identify areas where policies can be improved to provide more effective support to Micro, Small and Medium Enterprises. The results of this study not only provide insights to policymakers but also provide valuable information for Micro, Small



and Medium Enterprises (MSMEs) on how to take advantage of the various programs and incentives available.

The results of research produced by IAIN Parepare are usually published in academic journals that can be accessed by the academic community and business practitioners. In addition, IAIN Parepare is also active in organizing seminars, conferences, and workshops to disseminate the results of this research to the wider community. Through extensive publication and dissemination, IAIN Parepare ensures that the knowledge and findings from this research can be accessed and utilized by all interested parties, including Micro, Small and Medium Enterprises, the government, and the general public. Thus, the research conducted by IAIN Parepare not only contributes to the development of science but also has a real impact on the empowerment of Micro, Small and Medium Enterprises and local economic development. The provision of research results relevant to Micro, Small and Medium Enterprises aims to bridge the gap between theory and practice. Research conducted by IAIN Parepare lecturers and students often involves direct participation from Micro, Small and Medium Enterprises, so that the results obtained can be directly applied and provide concrete solutions to the problems faced by Micro, Small and Medium Enterprises. In addition, this study also provides policy recommendations that can be adopted by local governments to support the development of Micro, Small and Medium Enterprises in Parepare.

Research related to Micro, Small and Medium Enterprises has yielded various important findings that serve as guidelines for business actors in developing their businesses. For example, research on digital marketing strategies shows that the effective use of social media can increase sales and market reach of Micro, Small and Medium Enterprises. Other research on financial management reveals that many Micro, Small and Medium Enterprises (MSMEs) experience difficulties in cash management and financing, and suggests practical methods to improve financial literacy among business actors.

The role of IAIN Parepare can be seen from the research on MSMEs from several lecturers and students. IAIN Parepare can increase its academic contribution by strengthening collaboration with government agencies and financial institutions, providing adequate research funds, and building a special study center that focuses on empowering MSMEs from a sharia perspective. Overall, the role of IAIN Parepare in terms of providing research results related to Micro, Small and Medium Enterprises is still very minimal when viewed from the number of studies produced by IAIN Parepare lecturers. Based on data on the publication of scientific papers by IAIN Parepare lecturers in 2021-2024, only 10 publications studied Micro, Small and Medium Enterprises out of 2800 publications, or only 0.003%. Although not all lecturers have scientific concerns to study Micro, Small and Medium Enterprises, this percentage indicates the lack of desire of IAIN researchers to research Micro, Small and Medium Enterprises.

#### **e. IAIN Parepare Provides Access to Resources.**

Islamic educational institutions such as IAIN Parepare have a strategic role in strengthening the capacity of Micro, Small and Medium Enterprises (Micro, Small and Medium Enterprises) in the surrounding area. As a higher education institution that integrates Islamic values with modern science, IAIN Parepare not only functions as a center for intellectual development, but also as a strategic partner in encouraging local economic growth through the empowerment of Micro, Small and Medium Enterprises. This role is especially seen in efforts to increase the access of Micro, Small and Medium Enterprises (MSMEs) to various resources that are crucial for the sustainability and development of their businesses.

One of the things that is urgently needed by Micro, Small and Medium Enterprises is a

market for MSME products and funding for their business expansion. Many Micro, Small and Medium Enterprises have difficulty accessing the market and also capital to develop their businesses, especially from formal financial institutions. IAIN Parepare can play an important role in overcoming this obstacle by providing training on marketing MSME products,<sup>23</sup> financial management and strategies to improve creditworthiness. In addition, this institution can also bridge Micro, Small and Medium Enterprises with financial institutions, both through partnerships and through the organization of forums that bring together business actors and lenders. Thus, Micro, Small and Medium Enterprises (MSMEs) gain better knowledge and access to various financing schemes, such as People's Business Credit (KUR) or sharia-based financing programs.

In addition, IAIN Parepare collaborates with the government and various other financial institutions to facilitate the access of Micro, Small and Medium Enterprises actors to the market and a wider source of funding. This mentoring program has proven to be effective in increasing the capacity and performance of Micro, Small and Medium Enterprises, as shown in a study that indicates that Micro, Small and Medium Enterprises who are active in this program experience a significant increase in turnover and profitability.

On the other hand, the role of IAIN Parepare is also seen in increasing MSMEs' access to resources, both funding and markets, but still encounters several obstacles. In terms of access to funding, IAIN Parepare has collaborated with Islamic banks to provide financing support to MSMEs, although there is no special financing scheme that connects MSME actors with banks directly. Meanwhile, access to the market has been facilitated through the Business and Entrepreneurship Incubation Center which holds Entrepreneurship Expo and entrepreneurship seminars. This initiative opens up opportunities for MSMEs to expand their business networks and introduce their products to a wider audience. However, in order for the impact to be more significant, cooperation with banks and more effective market access schemes need to be strengthened.

#### **f. IAIN Parepare Encourages Increased MSME Networks and Cooperation.**

IAIN Parepare, as one of the leading Islamic educational institutions in Parepare, plays a key role in improving networks and cooperation for Micro, Small and Medium Enterprises. These networks and collaborations are essential to open up new opportunities, share resources, and strengthen the position of Micro, Small and Medium Enterprises in a competitive market. Through various initiatives and programs, IAIN Parepare strives to connect Micro, Small and Medium Enterprises with various relevant stakeholders, such as governments, financial institutions, non-governmental organizations, and large corporations.

The implementation of technology in the financial management of Micro, Small and Medium Enterprises can provide various significant benefits. First, with training that focuses on the use of financial applications such as APIK (Indonesian Financial Reporting Application), Micro, Small and Medium Enterprises (MSMEs) will be able to automate various financial processes that were previously done manually. This automation not only saves time, but also reduces the risk of errors in record-keeping, which is often a major challenge for many Micro, Small and Medium Enterprises. Second, by using technology-based applications, Micro, Small and Medium Enterprises can monitor their financial condition in real-time. This allows business actors to make faster and more accurate decisions based on accurate and up-to-date financial data. For example, they can easily view cash flows, identify liquidity issues, and project future capital needs. The

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<sup>23</sup> Hayana, 'Becoming a Partner of the Directorate, KPI Study Program Trains MSMEs in Product Promotion Design', Iainpare.Ac.Id, 2022 <<https://www.iainpare.ac.id/en/blog/news-1/jadi-mitra-disnaker-prodi-kpi-latih-umkm-desain-promosi-produk-1062>> [accessed 11 July 2024].

ability to monitor finances in real-time also helps Micro, Small and Medium Enterprises in planning business strategies that are more effective and responsive to changing market conditions. Third, the program also encourages Micro, Small and Medium Enterprises to produce more structured and accurate financial statements, which can be used as a basis for accessing financial institution financing. Good financial reports are the main key in gaining the trust of banks or investors, so this training also indirectly improves the ability of Micro, Small and Medium Enterprises to access funding for their business expansion. Fourth, this program can strengthen the competitiveness of Micro, Small and Medium Enterprises in the local and national markets. With better and integrated financial management, Micro, Small and Medium Enterprises can focus more on product development, marketing strategies, and other business innovations. They can also more quickly adapt to changing trends and consumer needs, which is an important factor in maintaining business relevance and growth.

This coaching program will have a great positive impact on Micro, Small and Medium Enterprises in Parepare City. With increasing expertise in managing finances using technology, Micro, Small and Medium Enterprises will not only be more efficient in their daily operations, but also better prepared to compete and thrive in the midst of changing economic dynamics. The support from IAIN Parepare through this program shows a strong commitment to empowering Micro, Small and Medium Enterprises and encouraging inclusive economic development in Parepare City.

In addition, IAIN Parepare also acts as a bridge between Micro, Small and Medium Enterprises and various other stakeholders, such as local governments, financial institutions, and non-governmental organizations. By building a wide collaborative network, IAIN Parepare is able to open access for Micro, Small and Medium Enterprises to greater resources, both in terms of capital, technology, and market. Initiatives like this show how universities can play an active role in encouraging regional economic growth through the development of a more innovative and highly competitive Micro, Small and Medium Enterprises sector. Through increased networking and cooperation, IAIN Parepare has succeeded in building a supportive ecosystem for Micro, Small and Medium Enterprises. This ecosystem not only improves their access to various resources and business opportunities but also strengthens the relationship between academics and practitioners. Thus, the role of IAIN Parepare in improving networks and cooperation contributes significantly to the empowerment of Micro, Small and Medium Enterprises and sustainable local economic development.

In terms of improving networks and cooperation, IAIN Parepare's contribution can still be further developed. Until now, the campus has not actively connected MSMEs with potential investors, although several activities such as entrepreneurship seminars and expos have been carried out to open the accessibility of MSMEs to a wider network. By strengthening concrete initiatives in bridging MSMEs with business partners or investors, it is hoped that IAIN Parepare can have a greater impact in supporting the sustainability of small and medium enterprises in Parepare City.

#### **4. CONCLUSION**

This study shows that IAIN Parepare has contributed to the empowerment of Micro, Small and Medium Enterprises in Parepare City through several programs including the following: 1) Having a Commitment to Empowering MSMEs, 2) Organizing MSME Education and Training Activities, 3) Providing Business Consulting and Assistance Services for MSMEs, 4) Providing Information on

Research Results about MSMEs, 5) Providing Access to Resources, and 6) Encouraging Increasing MSME Networks and Cooperation.

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### Authors' contribution

Abdul Hamid, S.E., M.M., conceptualizing research, design methodologies and complete article writing. Prof. Dr H. Muslimin Kara, M. Ag., helping to interpret data and provide scientific input. Dr. Siradjuddin, M.Si., assisting in data interpretation and provide scientific input. Dr. Damirah, S.E., M.M., assisting in collecting data.

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