

Competitiveness and Policy Development of SME Clusters, Empirical Evidence in Indonesia

Ma'ruf

*Faculty of Economics and Business Universitas Muhammadiyah Surakarta
Jl. A. Yani Pabelan Kartasura Surakarta*

Sidiq Permono Nugroho

*Faculty of Economics and Business Universitas Muhammadiyah Surakarta
Jl. A. Yani Pabelan Kartasura Surakarta*

Muzakar Isa

*Faculty of Economics and Business Universitas Muhammadiyah Surakarta
Jl. A. Yani Pabelan Kartasura Surakarta*

Anton Agus Setyawan

*Faculty of Economics and Business Universitas Muhammadiyah Surakarta
Jl. A. Yani Pabelan Kartasura Surakarta*

Abstract

The purpose of this study is to analyze SME clusters competitiveness based on 9 factors. Those 9 factors of competitiveness are raw materials, labor, product prices, markets, technology, investment, management, and economic and socio-cultural base. The development of SMEs is a part of long-term economic development to attain a balanced economic structure. Nevertheless, the gaps of resource potential, infrastructure and market lead to disproportional dispersion of location as well as industrial lethargy. Regional economic development is defined as a process where the Academic, Business, Community and Government (ABCG) manage the existing resources and establish an interrelationship among them to run the economy at regional level. There are seven clusters of SMEs in Sragen regency including featured products of the region. This study investigated the competitiveness of three clusters of SMEs, namely batik cluster, convection cluster and furniture cluster based on the Criteria of Regional Superior Products (*PUD*). The expected objectives of this study were to determine the contribution of batik fashion, convection and furniture clusters to GRDP, poverty, and development of cluster area/location as well as to provide inputs for the prevailing policy related to the improvement of competitiveness of SMEs clusters. The inputs include the recommendation for the local government to prioritize the policy for the development of batik cluster competitiveness particularly on labor, raw material, management and pricing. In convection cluster, the priority of development policy should be preoccupied on technology, market, investment and economic base. Meanwhile, the socio-cultural aspects must be prioritized for the development of furniture cluster competitiveness. Data was analyzed by using Analytic Hierarchy Process (AHP) and Topsis Analysis.

Keywords: Economic potential, Competitiveness, SMEs cluster.

Full Text: [PDF](#)



This work is licensed under [Creative Commons Attribution 3.0 License](#).

Academic Journal of Business, Administration, Law and Social Sciences ISSN 2410-3918 (print)
ISSN 2410-8693 (online)

Copyright © IIPCCCL-International Institute for Private, Commercial and Competition law