

**ANALYSIS OF MICRO, SMALL AND MEDIUM ENTERPRISES
(UMKM) DEVELOPMENT ON COMPETITIVENESS DURING THE
PANDEMIC PERIOD COVID-19 IN SUNGGAL DISTRICT
DELI SERDANG REGENCY**

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Abstract.

The contribution of MSMEs to employment, both in developed and developing countries, including Indonesia, has a significant role in overcoming the problem of unemployment. The Covid-19 pandemic has resulted in a world economic recession of up to -3.0%, 195 million people have lost their jobs and 420-580 million people have become poor (Maryanti et al., 2019). in the Sunggal sub-district itself, some of the problems that are often experienced by MSME business actors during the Covid-19 pandemic are the lack of use of technology, product innovation, the uneven distribution of local government social assistance to help capitalize business actors, as well as the decreasing amount of production due to a lack of interest in buying. the public during the pandemic, decreased the number of distributions, and decreased product quality because business actors lacked capital and income during this pandemic. Several business a were forced to increase product prices to cover existing production costs. The variables in this study are product innovation, capital, labor, technology, price, quality, production and distribution which are factors that influence the competitiveness of SMEs. This study aims to analyze the factors that affect the competitiveness of MSMEs in Sunggal District, Deli Serdang Regency. The data were processed using confirmatory analysis factor (CFA) then using multiple linear regression. the the data obtained from distributing the questionnaires were processed using SPSS Version 26.0 For Windows. the results showed that of the 8 variables analyzed, there were 3 factors that have the most influence, namely production factors, capital factors, and technology. Based on the multiple linear regression analysis, it shows that production, capital, and technology have a significant effect on the competitiveness of MSMEs, MSME a should b involved in the MSME development process in the midst of increasing competition, MSME actors must increase product innovation, and use technology to make it look more attractive to the public. so it can be superior to others.

Keywords: Production, Capital, Technology, Competitiveness

INTRODUCTION

National economic growth is strongly influenced by developments in the regional economy, while the regional economy is generally supported by small and medium scale economic activities. Business units that fall into the category of Micro, Small and Medium Enterprises (MSMEs) are determinants of regional and national economic development. Nearly 90% of the total business in the world is a donation from MSMEs (Lin, 1998). Besides that, MSMEs have contributed to employment (Tambunan, 2005).

The contribution of MSMEs to employment, both in developed and developing countries, including Indonesia, has a significant role in tackling the problem of unemployment. The Covid-19 pandemic has destroyed the existing order and resulted in a world economic recession of up to -3.0%, 195 million people lost their jobs and 420-580 million people became poor (Maryanti et al., 2019). Appearance Covid-19 has forced the government to issue many new policies, one of which is the imposition of restrictions on community activities (PPKM).

The existence of this policy has caused many people to suffer losses, one of which is MSME business actors. The enactment of this PPKM policy makes many large retail sector as well as small businesses who have to reduce the workforce and even close their business because of the reduction fairly fast income. MSMEs themselves are the most important pillar in the economy Indonesia.

Based on data from the Ministry of Cooperatives and SMEs, the number of MSMEs in Indonesia in 2021 will reach 64.2 million with a contribution to GDP of 61.07% or a value of 8,573.89 trillion rupiahs. The contribution of MSMEs to the Indonesian economy includes the ability to absorb 97% of the total workforce there is.

In the middle of a pandemic covid-19, MSME players continue to try to maintain their business, the government also contributes to helping MSME players and the Indonesian people during the pandemic by providing social assistance in the form of cash that can be used as additional capital for MSME actors.

The implementation of the PPKM policy makes people carry out all their activities from home, this policy is in line with technological developments which are also increasing rapidly. Many platforms or e-commerce can be used by the public to carry out their shopping desires, as well as MSME players who have started using e-commerce as a place to sell which can also increase income and make it easier to attract buyers with a wider marketing network reach.

For food industry players, the implementation of PPKM is not becoming a serious problem, there are platforms like Go-jek and Grab, can be used to register a food business later can be seen by many people and can be ordered via pick-up mode without the need to come to the

office a place so you can still sell though follow government protocols and policies which prohibits eating in places and also crowds.

According to the North Sumatra cooperatives and umkm services , currently there are at least some 672,000 SMEs out of a total of 960,000 SMEs in North Sumatra , from 33 districts/cities and 7,700 cooperatives in North Sumatra (North Sumatra) which have been affected by the Covid-19 pandemic . This number is spread across all districts or cities in Sumatra North.

Some of the problems that have caused the decline of MSMEs and cooperatives are related to the problems of MSMEs and cooperatives which have experienced a significant decline due to declining public demand . Second, SMEs and cooperatives have difficulty finding raw materials, because many companies have closed or are not carrying out their activities. Third, is the disruption of production and distribution of raw materials , and fourth is access to financing, the difficulty of finding access to finance for SMEs in the era pandemic.

Sunggal District is one of the sub - districts in North Sumatra province, Deli Serdang Regency. Sunggal sub -district consists of 17 villages or sub -districts and in each village or sub-district there are always people who open small micro businesses . and medium enterprises (MSMEs).

In 2018 the number of SMEs decreased again to 213 SMEs including 144 workshops and 69 small businesses . In 2019 the number of SMEs has increased to 287 SMEs including 218 workshops and 69 small businesses . In 2020 , just as the Covid outbreak was developing in Indonesia , the number of SMEs also decreased to 227 , including 159 workshops and 68 small businesses . In 2021 the number of MSMEs will still have the same number as in the year 2020.

The number of MSMEs that have been described above shows the development of MSMEs which have increased and decreased every year , especially during the Covid - 19 pandemic . business and chose to close his efforts. Sunggal sub -district itself, some of the problems that are often experienced by MSME business actors during the Covid-19 pandemic are the lack of use of technology, product innovation, the uneven distribution of local government social assistance to help t h e capital of business actors , as well as the amount of production that has decreased due to a lack of public interest in buying during the pandemic, a decrease in the number of distributions, and a decrease in product quality due to a lack of capital and income for business actors during this pandemic .

Several business actors were forced to increase product prices to cover existing production costs . The community's need for information is increasing c o m p l e x , social media can be

leveraged as a marketing medium to support business activities as well as simplify and strengthen the function of communication to the public (Suryani, 2014).

The benefits of digital marketing for companies and MSMEs include being able to connect easily with consumers online , higher sales conversions for targeted consumers , more economical marketing costs , being able to serve consumers in real time and the potential for increased competitiveness for SMEs (Handajani, et al, 2019).

Some businesses have used *e-commerce* as a means of promotion and selling, but still there are also many business actors who choose to use the manual method by placing their products in nearby clontong shops . The existence of the Covid-19 pandemic has made business people MSMEs must be smarter in seeing the existing competition by innovating products and starting to learn how to market via the internet so they can reach more buyers .

LITERATURE REVIEWS

Theory Solow

In 1956 a neoclassical figure named Robert M.Solow created an analytical theory of economic growth that depends on the factors of production (population, capital accumulation , labor) and the level of technological progress . Therefore this classic model introduces the role of technology as a growth factor economy. According to Solow 's theory that the capital -*output* ratio (COR) *can* always change . That is, an economy has unlimited freedom in combining capital and labor to be used to produce a certain output . Capital will experience diminishing returns as the main assumption that will be used in the model Solow.

If there is neither technological development nor labor growth , the *diminishing return* on capital indicates a point where the addition of capital through savings or just investment enough to cover the amount of depreciated capital . So that the economy will stop growing in the absence of technological and labor development. an increase in the saving rate will lead to a high growth rate if conditions reach *steady-state* so that the growth rate of output per worker only depends on the level of development technology.

The technology in this model can be seen from the increase in existing skills an economic activity so as to increase productivity. In the Solow Swan model , technology is a function of time. Where will time enter in the production function through capital (K), labor (L) and technology (A). This condition can be shown in the model below:

$$Y(t) = F [K(t),L(t),A(t)]$$

The existence of technology in an economy can increase output through increasing the productivity of inputs. This means that with the existence of existing technology an economy can produce more efficiently and the level of output produced will be higher increase. However, the increase in output caused by the accumulation of capital and labor will increase over time if there is an increase in knowledge (Sulaiman, 2013).

Theory Price

Price theory or *price theory* is a theory that explains how prices of goods in the market are formed. Basically the price of an item is determined by the amount of demand and supply for the item, while the demand and supply for an item is determined by many factors. The forces of demand and supply to shape prices are usually described in the form of a curve, as shown below. The red line is the *demand* line which describes the amount of demand for a good at various price levels. While the blue line is the *supply* (supply) which describes the amount of supply of an item at various price levels. Point E is the meeting point between demand and supply, at this point an equilibrium point is formed *m a r k e t* price. The ability to pay for consumers for a specific item can be displayed with a function supply.

The demand function for an item contains price elasticity information which is accurately described based on sales response to price changes. Price elasticity is solid information to realize the price differentiation strategy. So, companies need product elasticity information to determine the price of their products. Price elasticity is a characteristic or pattern of consumer reaction to price changes.

Supply Chain Management Theory (SCM)

Supply chain management, according to (Heizer & Rander, 2004), is an activity of managing internal activities framework obtaining raw materials into work -in- process goods or semi-finished goods and finished goods then sending these products to consumers through the distribution system. These activities include functions *t r a d i t i o n a l* purchasing plus other important activities related between suppliers and distributors.

Meanwhile, according to (Chopra, 2004) the *supply chain* consists of all parties involved, directly or indirectly, in fulfilling customer requests. The supply chain includes not only manufacturers and suppliers, but also transporters, warehouses, retailers, and the customers themselves. Within individual organizations, such as manufacturers, the *supply chain* includes all the functions involved in receiving and fulfilling customer requests. these functions include, but are not limited to new product development, marketing, operations, distribution, finance, and customer service.

The definition of *supply chain* proposed (Langley, 2008) is that *supply chain* has a broad and comprehensive meaning, therefore, demand and value are highly relevant. Thus, it can be said that *supply chain*, demand chain, value network, value chain is a synonym. There is a wider use of supply chain management acceptance and comprehensive viewpoint of supply chain management.

Supply Chain Management is directly related to the complete cycle of raw materials from suppliers to production, warehouse, and distribution and then to consumers. While companies are increasing their competitiveness through product customization, high quality, cost reduction, and speed to market, additional emphasis is placed on the supply chain.

Innovation Product

Product innovation is a service or product that is perceived by consumers as a new product or service. Innovation can be interpreted as a breakthrough related to new products. However, according to Kotler, innovation is not only limited to improving the latest services or products (Kotler, 2013). Innovation also consists of new business challenges and new methods. In line with Buchari, an innovative method that targets customers to provide customer satisfaction through the delivery of new products. Product innovation is very important to do because of the following:

1. The era is changing very fast with new products, new procedures and services from competitors, and this pushes hard to compete and succeed.
2. environmental changes on product life cycles is increasing short.
3. Fashion shoppers are smarter and demand fulfillment needs. expectations in the satisfaction of anticipation of additional desires in terms of quality, upgrades and cost.
4. As markets and times change so fast, the right concepts, things can also be copied without problems, and this requires a method of using new and progressive products, processes, and offerings that are more fast.
5. Innovation can result in a faster explosion, more market segments and more positioning of the company tall.

Capital

According to economists, capital is the wealth in the form of budgets and opportunities owned by the company, which is necessary for the production function, as all marketers state that capital includes real value in securities. Capital is part of production that has a very large influence to provide products in large quantities. Capital can be interpreted as a very efficient driving tool.

increase investment income both directly and indirectly , especially through production infrastructure , which will lead to a boom production.

According to Meij, capital is the state of capital products on the stability sheet , which is exactly next to each other if using a debit, capital goods are understood as: all goods related to household institutions in the characteristic production for profit generation. This picture is inconsistent with the temporary picture of modern economic actors who value cash as the most important thing, so far it is often found that human and natural resources are needed . ignored.

Power Work

Labor force is the population of working age . In line with law no . 13 of 2003 chapter I article 1 paragraph 2 states that workforce is everyone who is able to do work to provide goods or services both to satisfy personal desires and for networks. labor is a part of operating capital and can be very much needed for an organization or industry to handle the manufacture of every item and offer.

The number of employees employed may be a level of how much capacity the employer or company has in operating. furthermore, the body of first- rate workers would determine the final result of the production technique . Mulyadi (2003) argues that labor is a population of operating age (aged 15-64 years) or the entire population in a country that can produce goods and services if there may be a call for their business, and in events they need to take part in the activity the. Meanwhile , Rosyidi (2004) argues that exertion refers to human talent that can be donated to enable the manufacture of goods and offerings. So it can be concluded that the body of workers is the working age population (aged 15- sixty four years) or everyone who is able to paint, both inside and outside the working period that will produce services or goods to meet the needs his life. Community.

Technology

Technology is an idea related to the type of use and information tools and competencies, and how it can have an effect on the human potential to organize and change things around them (Rusman, 2012). Technology or so - called information technology has been known since the 70s. Information technology is defined as the era of processing and disseminating virtual hardware and software usage data, computer systems, communications, and electronics.

Information technology is a technology used to process facts, which include processing, obtaining, compilation, storage, and control of inner facts dissemination of methods to provide useful facts i.e. quality , relevant, timely, information used for needs personal, business, and

strategic for selection making . This technology uses a set of computer systems for processing data, network systems . to connect one laptop to another computer as desired, and telecommunications technology is used so that information can be disseminated and accessed globally . In the business world, technology plays a role in online business transactions , especially in providing media on line.

Price

Price is the sum of all values which exchanged by customers based on the benefits they have or use from the product or service. This cost also decides whether micro, small and medium enterprises are visited by many consumers or not. It 's not that simple , buyers will decide to shop for the products they buy by analyzing prices with different stores . Price is the cost of an item or provider measured through some money cash.

In order to get the desired goods or services then consumers have to pay for it with a certain amount of money. For buyers who are sensitive to affordable goods , they will get a high *value of money* . The definition of price according to Kotler and Armstrong (2001) is the amount of money charged for a product or service, or the amount of value exchanged by consumers for the benefits of having or using the product or service . According to Kotler and Armstrong (2008) there are 4 indicators that characterize prices, namely: price affordability , price compatibility with product quality, price competitiveness , and price compatibility with benefits.

Quality

Product satisfaction is the knowledge that the product supplied has extra promotional value that competitors ' merchandise no longer has . Therefore companies try to focus on product quality and compare it with products supplied through competitor groups (Kaharu , 2016). Great products have a keen interest for consumers in dealing with accurate relationships with shipping agents product. Products have important meaning for business companies because without products, companies will no longer be able to carry out their commercial activities (Lam'ah et al., 2020). besides , the best product is one of buyer 's attention before buy products. The smoothness of the product is determined by its robustness and usability, so consumers will always remember the product (Wahyuni & Ginting, 2017).

Production

production concept is an analysis of the way of an entrepreneur or producers must select and integrate various factors of production to produce a certain production quantity and as efficiently as possible (Suherman, 2001). Production control, namely the procedure for converting raw

materials to produce the preferred product or service according to the intention made. In this situation, it is very important to make a well-founded choice on financial hobbies, so that the goods and offerings produced have a selling fee. In a sales system, the entrepreneur will decide on a production level that can offer additional revenue by minimizing production costs. It is very important for the marketer to determine what form of goods can be bought with the help of maximizing it in technique production.

Distribution

A product (both in the form of products and in the form of services) will sell well in the market if the product can be allocated to various places where there is customer capacity. For this purpose, distribution is used to market the product. Kotler and Armstrong (2008), state that location (distribution) is an activity carried out by using a corporation that makes merchandise available to target clients. Meanwhile Tjiptono (2008), states that distribution can be interpreted as an advertising activity that seeks to expedite and expedite the delivery of goods and offers from producers to consumers, so that their use is in accordance with what is needed (type, amount, level, surroundings, and temporarily desired).

Power competitive

Competitiveness is a concept commonly used in economics, usually referring to a commitment to market competition in the case of companies and success in international competition in the case of countries (Tulus T. Tambunan, 2011). Meanwhile, understanding according to the WEF states that competitiveness is the competitiveness of a country or economy, not product competitiveness. In line with this understanding, competitiveness is an operating function that is not only internally oriented but also externally oriented, namely responding to its business target market proactively (Muhardi, 2007). The Ministry of Education and Culture in the Indonesian Language Dictionary (2002) argues that competitiveness is the ability to do something or act to win over the market. From these three definitions it can be concluded that competitiveness is the ability of something or someone to grow and develop well among similar entities in the same environment to win over the market.

Micro, Small and Medium Enterprises (UMKM)

The definition of MSMEs is regulated in the Law of the Republic of Indonesia No.20 of 2008 concerning MSMEs. Article 1 of the law states that micro-enterprises are productive businesses owned by individuals and/or individual business entities that have the criteria for micro -

enterprises as stipulated in the law . Small business is a productive business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or non - subsidiaries that are owned, controlled or become part, either directly or indirectly, of medium or large businesses. Meanwhile , micro -enterprises are productive economic businesses that stand alone which are carried out by individuals or business entities that are not subsidiaries or not branches of companies that are owned, controlled, or become part , either directly or indirectly, from micro, small or large businesses that meet the criteria for micro -enterprises as referred to in the Law . in law mentioned, the criteria used to define MSMEs as stated in Article 6 net worth or asset value does not include land and buildings for business premises or production annual sales .

Development MSMEs

The word Development put forward by JSBadudu as listed in the Big General Indonesian Dictionary means things , ways, or results of developing; while developing their own means opening up, showing , advancing, and improving . The other definition of development according to the Big Indonesian Dictionary is as follows; Development is a process of how to develop , while developing is an order to always try to develop gradually and regularly which leads to the target set . want.

The opinion of Amin Widjaja Tunggal regarding development is that development is an organizational effort to improve the implementation of work that refers to the ability to increase responsiveness to environmental resistance to achieve efficiency and effectiveness . Whereas in the strategic plan of the Ministry of Cooperatives and SMEs of the Republic of Indonesia, the strategy adopted by the central government in efforts to develop SMEs is to form three policy strategies , namely:

1. Reinforcement strategy is a strategy that aims to strengthen the business network of the MSME sector so that its existence can always exist and survive in the midst of development era.
2. Empowerment strategy is a strategy to make efforts in order to empower all resources that support the existence of the sector MSMEs.
3. Protection Strategy is a strategy that is intended to protect the running of MSMEs , so that obstacles in the course of their business can be overcome minimized.

RESEARCH METHOD

This type of research is causal research with a quantitative approach , Umar (2008) mentions that causal design is useful for studying how a variable affects different variables , and is also useful

in experimental research where independent variables are handled in a controlled manner by researchers to see their impact on the dependent variable in a controlled manner live. Population in appearance these are 227 SMEs including workshops, and small businesses. The sample in this study is SMEs. So, this study used a sample of 145 respondents to MSME actors in MSME development in Sunggal District. Data analysis using factor analysis.

FINDINGS AND DUSCUSSION

Analysis of Confirmatory Factor Analysis Results (CFA)

Effect of Product Innovation on Power competitive

Based on the results of the *Confirmatory Factor Analysis* (CFA) management on rotational output (*Rotated Component Matrix*) shows that product innovation does not significantly affect competitiveness ummm. Technological advances and increasingly fierce competition have made SMEs increasingly improve their product innovations such as packaging, taste, or appearance and shape in the food business, as well as service innovations such as how to serve customers in the workshop business. and automotive. So that innovation becomes an important component in business competition , this research is not in line with (Bayu Winarno, 2018) which states that the more incessant innovation is carried out then the competitiveness of its business will increase .

Effect of Capital on Power competitive

Based on the results of *Confirmatory Factor Analysis* (CFA) management on output rotation (*Rotated Component Matrix*) shows that capital positively and significantly influences competitiveness MSMEs. Based on the results of the research conducted, it shows that most MSMEs use personal finance to be used as capital, while some others admit it receive capital assistance from the government. The greater the capital they have , the smoother their business development process will be . This is in line with research (Winarti et al., 2019) which states that capital has a positive and significant effect on business competitiveness . This research is not in line with (Yasir et al., 2022) which states that the capital variable partially does not affect competitiveness due to affordability in terms of procurement of better supplies of tools and materials to support operations business because the place of business is limited and it is not easy for business actors to obtain capital effort. Besides that, capital is not only about money but also the energy or expertise possessed by business actors in managing their business or their human resource capabilities . So if capital is not only money but also in the form of expertise, it will increase competitiveness and will have a positive effect and significant.

Effect of Labor Against Power competitive

Based on the results of *Confirmatory Factor Analysis* (CFA) management on output rotation (*Rotated Component Matrix*) it shows that the workforce does not significantly affect the competitiveness of SMEs. Based on the results of research conducted, business actors admit that it is not difficult for them to find workers during a pandemic because many people need jobs. profession. This research is not in line with (Wardhani & Agustina, 2015) which states that labor has a positive and significant effect on business competitiveness . This is in line with the theory of Heckscher - Ohlin (1990) and Thurow (2001). According to HO theory that technological sophistication and capable human resources can be used in a variety of industries to compete in other industries . Meanwhile , according to Thurow , mastery of science and technology is needed in competition business.

Effect of Technology on Power competitive

Based on the results of *Confirmatory Factor Analysis* (CFA) management on output rotation (*Rotated Component Matrix*) it shows that component 3 technology positively and significantly influences the competitiveness of SMEs . Based on the results of the research conducted, many MSME actors say that they are very helpful with the existence of technology to market their business so that buyers are increasingly known. The use of this technology is mostly e-commerce such as Shopee, Lazada , Tokopedia, and others. It is not only food or product businesses that benefit from technology, but repair and automotive businesses also use technology such as adding themselves to Google maps, and also some selling automotive goods with e-commerce applications . This is in line with the theory of technology which states that SMEs need to take advantage of technology information to increase its competitiveness, bearing in mind that in this era of globalization the arena is increasingly competitive, and global. the use of technology can enhance business transformation through the speed, accuracy and efficiency of exchanging large amounts of information (I & Zulfikar, 2017).

Effect of Price on Power competitive

Based on the results of *Confirmatory Factor Analysis* (CFA) management on rotational output (*Rotated Component Matrix*) shows that prices do not significantly affect the competitiveness of SMEs. Based on the results of research conducted, it shows that the prices offered are still relatively the same, and many also claim to have experienced price increases due to the difficulty in finding raw materials during the Covid-19 pandemic . This is not in line with research (Sintia Kusuma Defi, 2022) which states that prices have a positive and significant effect on competitiveness effort.

Effect of Quality on Power competitive

Based on the results of *Confirmatory Factor Analysis* (CFA) management on rotational output (*Rotated Component Matrix*) shows that prices do not significantly affect the competitiveness of SMEs. Based on the research conducted, quality is one of the factors that increases competitiveness , especially during a pandemic, but not all efforts to maintain quality increase, this proves that even though quality is one of the factors that increases competitiveness , the quality of MSME businesses in Sunggal District itself is not too much influence . This research is not in line with (Farida, 2018) which states that quality has a positive and significant effect on competitiveness effort.

Effect of Production on Power competitive

Based on the results of *Confirmatory Factor Analysis* (CFA) management on output rotation (*Rotated Component Matrix*) shows that production has a positive and significant effect on the competitiveness of SMEs. The more MSMEs produce, the higher the level of business competitiveness, and the more production in the form of services in auto repair shops and automotive, the higher the competitiveness of their businesses. This study shows that production is an important factor in increasing the competitiveness of MSMEs , this is in line with the theory of production where, Production costs on the factors that affect the level of competitiveness consist of raw materials, l a b o r wages , capital, the more so much production will increasingly affect the competitiveness of its SMEs as well (Ayuningsih, 2019).

Effect of Distribution on Power competitive

Based on the results of the *Confirmatory Factor Analysis* (CFA) management on rotational output (*Rotated Component Matrix*) it shows that distribution has no influence on the competitiveness of SMEs. MSME actors carry out their distribution by taking advantage of existing technological advances , so that the distribution and introduction of their business becomes more widespread . This research is not in line with research (Ladiku, Anggi Tirta., 2021) which states that distribution plays an effective and significant role in competitiveness effort.

CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis and discussion of Micro , Small and Medium Enterprises (MSMEs) Development Analysis on Competitiveness During the Covid-19 Pandemic Period in Sunggal District , Deli Serdang Regency, then conclusions can be drawn as follows :

1. The CFA test on the KMO and *Bartlett's Test tables* shows that the data is valid and can be analyzed further with factor analysis . In the *Rotated Matrix* table it is known that of the nine factors, the three factors that most influence purchasing power are production , capital and technology.
2. The results of multiple linear regression show that production, capital, and technology have a significant effect on competitiveness in Sunggal District , Deli Regency Serdang.
3. The results of multiple linear regression can be seen that the *adjusted R Square* is 0.526 which can be called the deep coefficient of determination this means that 52.6 % of competitiveness in Sunggal District , Deli Serdang Regency can be obtained and explained by production, technological capital . While the rest is influenced by other variables that are not included in the model or not researched.

Based on the results of research conducted to determine the analysis of small micro business development (MSMEs) on competitiveness during the Covid -19 pandemic in Sunggal District , Deli Serdang Regency, obtained 3 (three) factors , namely, production factors, capital factors, and technology factors . In this study will provide influence or advice to certain parties , as for the suggestions, among others :

1. MSME actors should get capital assistance from the local government because MSME is one of the sectors that contributes the largest to the economy and can help reduce numbers unemployment.
2. The government should easy help and review again so that the distributed assistance can be right on target to MSME actors in Sunggal District , Deli Regency Serdang.

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