

**IMPLEMENTATION OF GOOD GOVERNANCE PRINCIPLES IN PUBLIC
PROCUREMENT FOR EMPOWERMENT OF MICRO SMALL ENTERPRISE:
EMPIRICAL STUDY IN BITUNG CITY NORTH SULAWESI PROVINCE, INDONESIA**

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ABSTRACT

This study is aimed to know about the application of good governance principles as an effort to empower micro small enterprise as stated in Republic of Indonesia Presidential Regulation number 54 year 2010. In addition, it also aims to understand the worthiness level and formulate empowerment strategy for small micro enterprise as supplier of public procurement. The result shows that average compliance level of Regional Working Unit (SKPD) in the research area is high, reaching 81.93 %. This compliance level consists of 82.25% efficiency, 84.25% effectiveness, 80.21% transparency, 83.44% openness, 81.91% competitiveness, 79.15% fairness/nondiscriminatory and 81.82% accountability. Analyzing 50 small micro enterprise respondent shows low result. By means of 24 worthiness variable values that must be fulfilled by small micro enterprise to qualify as supplier for government goods and services like stated in Republic of Indonesia Presidential Regulation number 54 year 2010, only 7 variables exhibit more than 50% worthiness score. While the other 17 variables show below 50% worthiness score. By means of Focus Group Discussion, micro small enterprise empowerment strategy can be done through 6 aspects. They are Business Aspect, Technology & Information Aspect, Human Resource Aspect, Lobbying Aspect, Stakeholder Role Aspect and Micro Small Enterprise Worthiness Aspect.

KEYWORDS: Good Governance, Public Procurement, Empowerment, SMEs, Bitung City, Indonesia