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1 DEVELOPMENT OF MICRO SMALL-MEDIUM BUSINESS IN ASIAN COUNTRIES (INDONESIA, MALAYSIA, PHILIPPINES, AND THAILAND): A COMPARISON IN ACCOUNTING BEHAVIOR

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1 ABSTRACT

This study examines how to support and improve micro, small, and medium enterprises (MSMEs) in ASEAN countries, which have been hit hard by the COVID-19 pandemic. This study employs a qualitative research method, which emphasizes observing and examining the substance and meaning of the phenomena more deeply. The research found that the success of MSMEs in Indonesia depends on factors like the business sector, size, financial management, and digital technology use. Similarly, MSMEs policies in Malaysia, Philippines, Thailand, and Indonesia can help increase state income, but require investment in areas like human resources, finance, and marketing. The study aims to provide insights into the strengths and weaknesses of MSMEs in these countries to help promote their development.

Keywords: MSMEs; financial accounting; resources; digitization

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3 INTRODUCTION

The business world is one area of human life that changes quickly and dynamically. In the past, business activities were carried out door to door, with people selling at the market, opening stalls in shops, offering face-to-face interactions, or using other conventional methods. Even though these methods are still used by society in general, times have changed with the rise of the industrial era 4.0 and the era of society 5.0, and the business world is no exception given that

humans are economic as well as social beings. MSMEs tend to have interesting economic and political problems, leading to the standard view that the development of MSMEs demands the involvement of the government. Related to MSMEs is the issue of community economic participation; therefore, developing MSMEs also involves community economic development (Harvie et al., 2013).

The existence of MSMEs is crucial for the efficient running of a country. Many parties see

MSMEs as the backbone and critical drivers of the economy. This statement generally applies, but especially in developing countries, as stated by Yeung (2017), who emphasizes the important role played by MSMEs in creating jobs, increasing state income, reducing poverty, driving export activities, developing entrepreneurship, and boosting the rural economy. Every country has different images and concepts of MSMEs (Danil & Septina, 2019). Some countries map the concept of MSMEs based on the number of workers, while others categorize MSMEs based on the number of assets they have. This diversity in categorization ultimately raises difficulties in capturing a comprehensive picture of MSMEs. In the ASEAN context (Association of Southeast Asian Nations), it is generally agreed that something can be categorized as an MSME if it has less than 100 workers. This aligns with the general standards the Organization for Economic Cooperation and Development (OECD) regarding defining MSMEs (Sato, 2015).

The development of MSMEs in countries, especially in the ASEAN region, is considered one

of the determining factors for success in distributing benefits to society and overcoming socio-economic disparities. This is based on the fact that the majority of ASEAN countries are still relying on the MSME sector because they feel they are unable to take advantage of the existence of other supporting sectors coupled with the capacity that is still lacking in terms of the availability of resources and the resilience of large-scale industries. In addition, amidst the rise of trade liberalization and the 2025 ASEAN Economic Community agenda, MSMEs are also seen as a sector that can integrate and increase the competitiveness of the ASEAN economy as a whole (Sato, 2015). Based on this, the acceleration and integrated development of MSMEs in the ASEAN region are important for increasing the competitiveness and productivity of the economy.

As for income distribution, average wage levels, and minimum wages in ASEAN countries (Indonesia, Malaysia, Philippines, and Thailand), are as follows :

Table 1: Percentage of Income Distributions State in ASEAN

No.	Country	Income Distribution in 2019	Average Wage in 2020 (Monthly)	Minimum Wage in 2021 (Daily)
1	Indonesia	GNI ratio 38.2	Rp. 3,893,000	Rp. 42,240
2	Malaysia	GNI ratio 39.9	RM 3,224	RM 1,200
3	Philippines	GNI ratio 42.5	PHP 13,304	PHP 537
4	Thailand	GNI ratio 39.9	THB 13,411	THB 331

The development of SMEs in ASEAN countries can help distribute benefits to the community and reduce socio-economic disparities. SMEs are expected to provide employment opportunities for the community, increase income, and reduce economic inequality.

ASEAN is an organization in the Southeast Asian region that was founded on August 8, 1967 in Bangkok, Thailand. ASEAN members consist of 10 countries: Indonesia, Singapore, Malaysia, the Philippines, Thailand, Brunei Darussalam, Vietnam, Laos, Myanmar, and Cambodia. Four countries among the ten ASEAN member countries have similar characteristics: Indonesia, Malaysia, the Philippines, and Thailand. The first characteristic they have in common is that they have low to middle incomes. Additionally, these four countries are newly industrialized and

trying to become developed countries. As such, they began to follow an export-oriented economic development model similar to that of Singapore, South Korea, Taiwan, and Hong Kong. The strategy undertaken by the four countries aims to invite foreign investors to help the country's economy. Moreover, these ASEAN countries also have geographical similarities in that each country is rich in natural resources, designating them as agricultural countries. Finally, they have demographic similarities, namely having the fastest growing populations in the ASEAN region (Harvie et al., 2013).

Indonesia, Malaysia, Philippines, and Thailand have the ambition to become advanced countries with the hope of improving their economies. Efforts are being made to enhance the industrial sector through various government policies such

as foreign investment, infrastructure development, and support for MSMEs. By improving the industrial sector, countries can increase production and export of goods, which can increase national income and reduce unemployment rates. Improving the economy brings the expectation that the welfare of society will be improved, and that the nation will eventually become an advanced country in the future. These four countries have implemented various efforts to attract investors, including: 1) opening investment opportunities in strategic sectors such as energy, transportation, infrastructure, information technology, tourism, etc in the form of providing incentives and facilities for investment; 2) improving the investment climate, including policy and regulatory reforms to improve the investment climate, which involves improving licensing regulations, reducing bureaucracy, and ensuring

legal certainty and political stability; 3) providing fiscal incentives for investors, such as tax exemptions or tax discounts for a certain period of time, tax relief for investment in certain sectors, and so on; 4) building infrastructure, such as toll roads, ports, airports, and so on; and 5) improving the quality of human resources by improving access to education and training for workers.

Economic growth in Southeast Asia has been supported by MSMEs because they can stimulate domestic demand, competition, and innovation, as well as create jobs. A country's slow economic growth can be recovered by strengthening the dynamics of MSMEs. Fig. 1 shows the percentage of MSMEs' contribution to the Gross Domestic Product (GDP), based on Asian Development Bank data, in the four selected ASEAN countries:

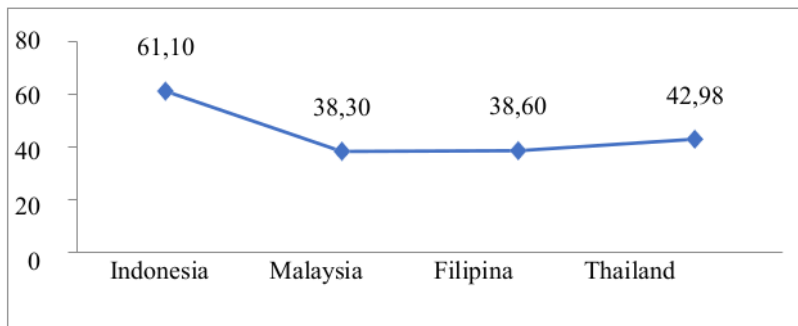


Figure 1: Percentage of MSMEs Contribution to State Income in ASEAN

Source : (Asian Development Bank, 2020)

The important role of MSMEs, in general, can be observed from their significant developments and role as major contributors to state revenues in these four ASEAN countries. The country with the greatest contribution of MSMEs to state revenues is Indonesia, where MSMEs account for 61.1% of total state revenue, largely due to the large number of MSMEs in Indonesia. Meanwhile, Malaysia is among the countries with the lowest contribution of MSMEs in those four. In Malaysia, where MSMEs contribute 38.3% of total state revenue, this low contribution is due to the small number of MSMEs there, as compared to other countries. One factor that supports strength in maintaining business is the

ability to manage finances and to learn and know information technology (Anggadini, 2015). Several arguments regarding the importance of financial management in the form of cost management, financial reports, and accounting systems as success factors and going concerns for business entities are described in research results by Sian & Roberts (2009), Dunk (2012), Anggadini et al (2023) and Abe et al. (2015). GDP, GNP, and GNI data of the four countries in 2020:

Table 2: Percentage of GDP, GNP, and GNI data of the four countries in 2020

No.	Country	GDP	GNP	GNI
1	Indonesia	US\$1,060 trillion	US\$1,049 trillion	US\$4,050 per capita
2	Malaysia	US\$336 billion	US\$322 billion	US\$10,550 per capita
3	Filipina	US\$362 billion	US\$336 billion	US\$3,850 per capita
4	Thailand	US\$509 billion	US\$478 billion	US\$7,340 per capita

As shown in the table, Indonesia and the Philippines have a lower GNI compared to Malaysia and Thailand, indicating that per capita income in both countries is still relatively low. In real terms, however, Indonesia has a higher GDP and GNP than the Philippines, while Malaysia and Thailand have higher per capita in GNI. Overall, the four countries have various programs and legal frameworks designed to support MSMEs. Still, there are challenges that need to be addressed, such as regulatory issues, bureaucracy, infrastructure, and corruption. Therefore, ongoing efforts are needed to improve the business environment for MSMEs in these countries.

The reasons the four ASEAN countries of Indonesia, Malaysia, the Philippines, and Thailand were chosen for research include:

1. Large market potential: they have large and rapidly growing populations, creating a large market for products and services from small and medium enterprises.
2. Infrastructure development: they have made progress in infrastructure development, such as transportation networks, communication, and information technology, allowing SMEs to more easily sell their products and services and improve access to international markets.
3. Government support: their governments have provided support in the form of fiscal and non-fiscal incentives for MSMEs, such as easier access to business capital and training education.
4. Availability of natural resources: Indonesia, Malaysia, the Philippines, and Thailand have abundant natural resources such as oil, natural gas, and agricultural products that can be used as raw materials for small and medium industries.
5. Access to global markets: they have a strategic position as gateways to the Southeast Asian and Pacific markets, providing easy access for MSMEs to enter

the global market and improve their competitiveness at the international level.

MSMEs have great potential for increasing the workforce as a driver of economic growth, but in reality, they still face several obstacles in internal and external fields, including production, processing, marketing, capital, and others. With the various obstacles MSMEs face, strategies such as partnerships, financial assistance, and increasing investment in MSMEs are necessary (Surtikanti et al, 2023). Financial assistance in the form of capital loans can be obtained from banks and non-banking institutions (Anggadini & Susanto, 2017). Capital loans are significant because most business actors experience capital constraints to make new investments or technological changes (Chittithaworn et al., 2011). Furthermore, from the issues disclosed, further review is needed to reveal whether MSMEs business people know and are aware of the ASEAN Economic Community (AEC) and the outlines of AEC policies, as well as their attitudes towards the importance of competing in the AEC arena. Hopefully the results of this study can provide better material for study on MSMEs' development in ASEAN countries and serve as a basis for implementing the next AEC program by policymakers and SMEs' business actors in particular regions. The aim of this research is to compare the economic conditions in ASEAN countries (Indonesia, Malaysia, Philippines, and Thailand) considering that these four countries have similar resources and capabilities, especially in funding for development.

LITERATURE REVIEW

Micro, Small, and Medium Enterprises (MSMEs)

The contemporary theory put forward by Karim et al. (2022) explains the importance of the existence and development of MSMEs in relation to flexible specialization in production and export activities. MSMEs can specialize in the production process so that there can be linkages between MSMEs and large businesses.

This specialization is very important for developing MSMEs, large industries, and the economy as a whole. The linkage in question is the relationship pattern between two or more companies that provide mutual benefits. In this case, large-scale businesses rely on MSMEs' position as providers of various inputs. In many developed countries, such as Europe, the US, Korea, and Japan, the position of MSMEs is significant as a supporting industry that provides inputs and other components needed by large businesses in producing an output. According to Maarof and Mahmud (2016), however, MSMEs intermediary status predicts that they will disappear as economic development progresses. This happens because more advanced economic development will be in line with increasingly sophisticated technological developments, thus eliminating MSMEs in favor of large businesses that already have significant capital and sophisticated technology to produce output with more quantity and better quality (Regnier, 2017).

MSMEs Scope

The primary research subject involves examining two major scopes from the MSMEs' perspective. First, the constraint points and potential solutions are studied in depth for all aspects of the business, including sales, supply, operations, and funding (Mahboob et al., 2017). Second, the perceptions of MSMEs concerning significant elements that have the potential to help them deal with the current crisis, namely government assistance, digitization, and financial products are explored (Pantai, 2014). The COVID-19 pandemic has significantly impacted MSMEs and caused them to adapt and change their business processes. Changes that need to be made cannot be separated from digitalization, financial products (such as loans and insurance), and assistance from the government or other external parties (Isahak et al., 2017). To find out the current condition of MSMEs and what the need to continue their business, more knowledge is needed in the following areas:

1. MSMEs' perceptions of financial and non-financial assistance from external parties such as the government, private companies, and financial institutions. This needs to be considered in order to issue and distribute aid that is on target. Each country may have different strategies and programs in

supporting MSMEs, so the contribution of each country to MSME development may vary. Collaboration between the government, private companies, and financial institutions is greatly beneficial for SME actors through mentoring, coaching, training, and financing. This has an impact that SMEs in ASEAN countries, in general, have made a significant contribution to the national economy, created employment opportunities, and reduced socio-economic disparities.

2. MSMEs' perceptions of digitization include whether there has been a change in sales through digital platforms, the current status of digital utilization, and future plans.
3. MSMEs' perceptions of financial products such as banking and insurance products. There are two sides to this, the first being from the side of the MSMEs to find out the level of knowledge and changes in views on financial products. Second, from the side of financial institutions such as banks and insurance companies to find out what MSMEs need and provide ideas for more optimal innovation or partnership.

In general, the criteria used to distribute financial assistance are related to business size, type of business, and geographic location. Meanwhile, incentives for using digital platforms will be given to small and medium-sized businesses that are technology-based and can demonstrate the use of digital platforms in their business operations.

In Indonesia, there needs to be more synergy between Bank Indonesia and other ministries/agencies in order to develop MSMEs. One way Bank Indonesia has done this is through the government distributing Direct Cash Assistance ("BLT") for MSMEs, or Government Assistance for Micro Businesses ("BPUM"). These programs began August 24, 2020, with a target of 12 million local MSMEs receiving aid that is to be transferred directly to the business owners' accounts. In Malaysia, the government has programs such as Cooperative Micro Loans and Small and Medium Business Loans provided by the Credit Counseling and Management Agency ("AKPK"). In addition, there are also training and consultation programs through agencies such as SME Corporation Malaysia and Malaysia Digital Economy Corporation ("MDEC"). In the Philippines, the government provides various

assistance programs such as low-interest loans through the Small Business Corporation and training and consultation programs through the Department of Trade and Industry. In addition, there are also programs from financial institutions such as Land Bank of the Philippines and Development Bank of the Philippines that offer loans and other financial services. In Thailand, the government provides various assistance programs such as soft loans with low interest rates. There are also training, consultation, and market access programs provided by the Department of Small and Medium Enterprise Development and the Ministry of Commerce. Meanwhile, private companies such as Krung Thai Bank and Kasikorn Bank also offer loan programs and other financial services for the growth of MSMEs.

Accounting Behavior in MSMEs Development

Individual and group involvement is largely formed by attitude. Attitude is an advanced stage of awareness in cognitive and behavioral science (Tongzon & Cheong, 2014). Based on Kaewboonchoo et al. (2016), attitude is a process of formation of motivational, emotional, and cognitive processes for an aspect of the environment and conditions. Attitude consists of three components: 1) cognitive, 2) emotional, and 3) behavioral.

In order to form an attitude, several stimuli are raised, including products and situations. The results of previous studies concluded that accounting attitudes in the development of MSMEs in the four ASEAN countries, namely Indonesia, Malaysia, the Philippines, and Thailand, were positive, although they did not provide positive aspirations for their respective individuals (Bala & Feng, 2019). Furthermore, the existence of economic policies will certainly have an impact on competition in the ASEAN region and the world, which demands comprehensive readiness by all business actors, including the fashion business. MSMEs' business actors must be prepared financial management of the business. Referring to the research by Chittithaworn et al. (2011), which revealed a significant relationship between accounting behavior and business success, this condition shows that accounting attitudes in preparing businesses for the MEA era need to be considered.

METHODOLOGY

This research used a qualitative method, which aims to develop sensitivity to concepts by depicting reality as neither singular nor plural. In theory, qualitative research begins by defining a general concept that changes as a result of research, so that variables can be products or results. Furthermore, the qualitative approach method in this study sought to clarify and analyze the previously collected, compiled, and interpreted data by looking at and examining the factors related to the phenomenon and situation being studied. The techniques used by researchers in collecting data for this study were either documentation data collection techniques or library research (Sekaran & Bougie, 2020). The library research technique sought to collect data related to the 4 ASEAN countries recorded, or recorded as secondary data. These secondary data were taken from various reading materials, such as textbooks, journals, official documents, and statistics related to the research problems. This technique was carried out by reviewing written materials.

DISCUSSION

MSMEs Development in Indonesia

In the Indonesian business landscape, MSMEs are currently starting to develop. Although MSMEs in Indonesia are still relatively small on an international scale, MSMEs can contribute 60.3 percent of the country's gross domestic product and 97% of the workforce, as stated by the website of the Ministry of Finance in Indonesia. The current development of MSMEs in Indonesia has helped Indonesia's government create jobs for the unemployed, as well as helped increase the resilience of the household economy in the country. This considerable potential for MSMEs is said to be one of Indonesia's keys to escaping the middle-income trap, whereby increasing the rapid growth of MSMEs, the government hopes for maximum output (Tambunan, 2019).

In general, accounting behavior has been implemented in most MSMEs in Indonesia, but many firms still need assistance in terms of financial management based on government regulation. The level of digitization among MSMEs in Indonesia is still deficient, with less than 15% having used digital platforms. The latest official report revealed that as many as 9.4 million people and 7 MSMEs have gone digital,

compared to the government's target of 10 million by the end of 2020. This condition shows that MSMEs in Indonesia still expect assistance beyond government funding. The most common types of financial assistance are operational subsidies, service subsidies for technology solution providers, incentives to use digital platforms, and subsidies for digital tools (Solina, 2020). Three of these four financial aids lead directly to digitalization solutions, which may indirectly explain the positive perceptions MSMEs' actors have to immediately apply digitalization to support their business operations (Anggadini et al., 2022).

The use of digital technologies in MSMEs is still centered mainly on finding suppliers and customers as its primary use, as seen by more than 60% of MSMEs surveyed claiming to have used digital platforms for these two purposes. More than 15% of other respondents are preparing to implement digitalization, leaving only a small number who have not utilized digital solutions to find suppliers and customers (Nugroho & Negara, 2020). Meanwhile, digital use for long-term solutions with more advanced uses, such as digitizing business processes and utilizing data and analytics, still has a low usage rate, with less than 30% of respondents implementing each of these use cases. These results show that there is a key opportunity to take technology use to the next level. Digitizing business processes is helpful for the efficiency of all business processes, from managing stock and processing orders to using point-of-sale (POS) machines, which can optimize turnover and reduce operating costs (Madan, 2020). Meanwhile, the use of data and analytics aims to collect and further process data, which will help increase business efficiency and customer service.

MSMEs Development in Malaysia

The development of MSMEs in Malaysia is the government's main priority. Attention to MSMEs has existed since the 1970s, through the "New Economic Policy" of 1971, which essentially outlined plans for the future prosperity of the people and encouraged an ethnically balanced economic structure. Malaysian SMEs are dominated by economic activities related to the manufacturing industry. The general policy for MSMEs' development is to include MSME as part of the manufacturing industry development

value chain (Abdullah, 2019). In terms of geographical location, the distribution of most of the manufacturing companies is on the West Coast of Malaysia, which is close to Singapore. This is due to possible access to transportation through port facilities and good roads.

MSMEs in Malaysia have an important role in various sectors, making a sizeable contribution in their share of national income. Like in many other countries, MSMEs in Malaysia are involved in various industries (Mizunoura, 2017), with the most dominant being the manufacturing industry, including the processing and production of raw materials, for example, food, beverages, textiles, petroleum, timber, and rubber, as well as the assembly and manufacture of electrical and electronic equipment and components. MSMEs in Malaysia make up more than 90% of the country's total manufacturing companies. Based on performance statistics, MSMEs in Malaysia do not seem to have a problem. Looking at these MSMEs' contributions to export, field employment, and economic growth, visible performance is already good; however, there are still a number of challenges and obstacles Malaysian MSMEs face. These challenges arise namely from globalization, liberalization and organizational expansion, and institutional and technological changes (Solina, 2020). Such obstacles as lack of financing, low productivity, lack of managerial ability, access to management and technology, and government policy that Malaysian MSMEs face damage performance (Yuen & Ng, 2021).

Apart from focusing on government policies, Malaysia also applies development methods assisted by other institutions. One institution that plays an important role in the development of MSMEs in all sectors is the Small and Medium Enterprise Corporation (SME Corp). This institution also collaborates with a bank specifically for MSMEs in Malaysia, which has several programs for providing access to finance. Policies and programs to guarantee access to adequate funding are carried out by providing initial capital, business expansion with financing, and business repair or rehabilitation. These MSME banks also have special programs to encourage rural economic development by fostering an entrepreneurial spirit and spirit in the community, as can be demonstrated through the partnership between the bank and the Ministry of Rural Development. Furthermore,

MSMEs' banks also initiate the creation of industrial areas/complexes with an integrated entrepreneurial approach that provides financing facilities and factory space leases, as well as training and financial consulting. This shows that accounting behavior is one of the main activities focused on the sustainability of MSMEs in Malaysia (Iqbal et al., 2020; Anggadini, 2017).

MSMEs Development in Philippines

MSMEs in the Philippines face various challenges, both domestically and globally. These challenges include intensifying global competition from other manufacturers (e.g., China and India), limited ability to meet the challenges of market liberalization and globalization, limited capacity for technological knowledge management, low productivity and quality of output, skills shortage for the business environment, and limited access to finance, including capital and crucial initial funding for business development (Husin & Haron 2020). Filipino MSMEs still face challenges such as lack of access to finance, human resource constraints, limited ability to adopt technology, lack of information about potential markets and customers, and global competition. After identifying some of the challenges faced by MSMEs in the Philippines, some of the strategies of the government and institutions responsible for developing MSMEs in the Philippines were discussed. First, the government provides incentives available to MSMEs and educates practitioners on how to access them. Second, in line with existing incentives, the government should also increase the number of MSMEs coaching centers that offer consulting and expert services to MSMEs by involving more experts in different fields (e.g., IT, financial planning, marketing planning, and others). Ensuring that MSMEs have effective and affordable access to these incentives would help managers of MSME to understand financial accounting and develop qualified accounting behavior so they can create quality financial reports (Naradda, 2020).

In order to support the competitiveness of MSMEs, policies to encourage high competitiveness are carried out through several activities, including linking MSMEs as part of the regional and global supply chain. Encouraging MSMEs to become part of multinational companies operating in the Philippines is carried

out by providing incentives for international companies while at the same time facilitating MSMEs' integration into global company operations. MSMEs are encouraged to improve their basic competence in production and design according to international standards, so providing subsidies for MSMEs to apply global standards to their operations will encourage efficiency and competitiveness. The Philippine government also encourages MSMEs to carry out productive innovations, spending large amounts of money on innovation. Osi and Teng-Calleja (2021) examine the determinants of innovation among small and medium enterprises in the Philippine manufacturing sector using enterprise-level data. For small-sized companies, those that are more recently established tend to innovate more than older companies (Do, 2018).

MSMEs Development in Thailand

Prior to 2000, there were no specific institutions or rules governing the presence of MSMEs in Thailand. Finally, in 2000, the parliament of Thailand passed some policies that facilitated the development of MSMEs. Based on policy news, Thailand slowly started the effort of MSMEs development by establishing a special institution called the *Office of Small and Medium Enterprises Promotion (OSMEP)*. Under the same regulations, MSMEs in Thailand are divided into three main clusters: the manufacturing sector, the trade sector, and the service sector (Siriphattrasophon, 2019). A policy derivative, specifically about developing MSMEs in Thailand, was developed into a differentiated *Master Plan* framework on goal focus and timeframe. The first MSMEs development *Master Plan* (2002–2006) focused on the recovery economy, development of infrastructure, and increased competitiveness. The second plan for the development of MSMEs contained in the 2007-2011 *Master Plan* has a different focus, namely encouraging the implementation of knowledge-based activities and supporting the restructuring of the social economy through enhancing the level of public life overall (Bruch & Hiemenz, 2019).

MSMEs' management in Thailand continues to develop after the *Master Plan 2012–2016*. OSMEP collaborates with various parties, such as public agencies, the private sector, and academics. For this step, Thailand committed to increasing power competitiveness and project

MSMEs under a framework of achievement growth towards a stable national economy. The mapping of roles and coordination between agencies is also becoming more visible in the framework planning for 2012–2020. In practice, management of MSMEs based on mapping roles between the actors is effective enough, although it still has its problems and challenges. The biggest problem MSMEs face in Thailand is a lack of access to and credit for resources, coupled with limited assistance in the field of financial accounting. Besides that, Thailand's challenges in managing MSMEs are availability and stability regulation in implementing development to different sectors (Bruch & Hiemenz, 2019).

A strategy that the Thai government might conduct in order to overcome these problems and challenges is increased capability at OSMEP as the main coordinator for MSMEs' development. OSMEP plays an important role in MSMEs' implementation policy (Eskesen et al., 2014). To map the role further, OSMEP needs to coordinate with various ministries and other institutions to avoid there is no overlap in implementation. Another strategy that could be enacted by the government is providing an opportunity for MSMEs to have accommodations to access goods and services (Tayibnapis et al., 2021). OSMEP needs to be given stimulus funding that is adequate to promote the planned development of MSMEs more efficiently and effectively. Funding received by MSMEs is managed by MSMEs, who have the competence to adopt accounting behavior to produce effective, efficient, and economical financial information.

CONCLUSION AND RECOMMENDATION

Like other countries in the world, the development of MSMEs in Indonesia, Malaysia, the Philippines, and Thailand is carried out seriously by the parties involved, even though there are fundamental differences in MSMEs' development. Although their form of policy is relatively similar, their vision is different. Among the four ASEAN countries analyzed, the government's role in MSMEs' development is very strong because it is part of the political process of using government programs to increase welfare. The ultimate goal of MSMEs' development is to maintain and increase competitiveness in the international arena. The development of MSMEs is also one of the efforts

put forward in the ASEAN framework regarding equal economic development, which aims to reduce development disparities, strengthen the quality of human resources, increase social welfare, and encourage more involvement in the ASEAN integration process. In addition, MSMEs' development strategies must also cover institutional aspects, capital loan relief mechanisms, access to financing and legality, increasing global competitiveness, and monitoring and managing financial accounting. To accomplish these goals, MSMEs need to have an accounting attitude, while the respective countries' policy standards guide the creation of quality financial reports.

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