

Theme: Analysis of Micro, Small and Medium
Enterprises Development to Increase Economic
Growth as an Effort to Alleviate Poverty and Regional
Unemployment in Klambir 5 Kebon Village

Analysis of Micro, Small and Medium Enterprises Development to Increase Economic Growth as an Effort to Alleviate Poverty and Regional Unemployment in Klambir 5 Kebon Village

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ABSTRACT

National economic growth is largely determined by the dynamics and development of the regional economy, while the regional economy is generally supported by small and medium scale economic activities. Business units included in the category of Micro, Small and Medium Enterprises (MSMEs) are the lifeblood determining regional and national economic development. The Micro, Small and Medium Enterprises (MSMEs) sector is a resilient business in the midst of the economic crisis. This research uses a descriptive method of analysis with a qualitative approach. The source population is MSMEs in Klambir 5 Kebon Village with a sample of 22 of the 167 existing MSMEs spread in different types of MSMEs. Data collection techniques use interview methods with data analysis techniques using deduction logic, by comparing the theory behind the problem. From the data collected, it was concluded that the development of MSMEs in Klambir 5 Kebon Village was able to be a driving factor for regional economic growth and had a positive impact on labor absorption in poverty alleviation efforts in Klambir 5 Kebon Village.

Keywords: MSMEs, Economic Growth, Labor

1. Introduction

National economic growth is largely determined by regional economic dynamics, while regional economies are generally supported by small and medium-scale economic activities. Business units included in the Micro, Small and Medium Enterprises (MSMEs) category are the lifeblood of the regional and national economy. The number of MSMEs reaches around 99% of the business unit population, and accommodates more than 92% of the total workforce. From the national economic growth rate of 5.0%, MSMEs contribute a growth rate of around 3.0%, higher than the growth rate of large businesses. From this preliminary data, it shows how strategic the development of cooperatives and MSMEs is. The Micro, Small and Medium Enterprises (MSMEs) sector is a resilient business in the midst of an economic crisis. Currently, around 99% of the majority of economic actors are MSME business actors who continue to grow significantly and become a business sector that is able to support national economic stability. MSMEs are increasingly resilient and remain optimistic in the midst of a crisis. When there is a global crisis, MSME actors continue to move. The development of MSMEs in Indonesia is still hampered by a number of problems, including weak MSMEs in terms of capital and managerial aspects (management, production, marketing and human resource capabilities); as

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well as problems that arise from the developers and MSME coaches, for example the solutions provided are not on target, there is no monitoring and overlapping programs between institutions.

Micro Small Business Development Intermediate

- a. Understanding MSMEs (Micro Enterprises)
Small and Medium Enterprises Micro, Small and Medium Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises as stipulated in this Law. Asset criteria: Max. 50 Million, Turnover criteria: Max. 300 million rupiah. Small Business is a productive economic business that stands alone, carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or become part either directly or indirectly of medium enterprises or large businesses that meet the criteria for Small Business as referred to in this Law. Asset criteria: 50 million – 500 million, turnover criteria: 300 million – 2.5 billion rupiah.
- b. Benefits of Micro, Small and Medium Enterprises
The benefits of MSMEs for the national economy include: Opening Jobs, Being the Largest Contributor to the Value of Gross Domestic Product, One of the Effective Solutions to the Economic Problems of the Small and Medium Class. Meanwhile, the benefits of MSMEs for the regional economy are increasing income, empowering the community, especially women, gaining entrepreneurial experience, reducing unemployment in the village, strengthening a sense of community, developing community potential, developing pre-existing businesses, and fostering a sense of progress and so on.
- c. MSME Development Objectives
The MSME Development Program caters to the development of entrepreneurial skills and the ability to run small and medium enterprises. The program trains participants to: apply their entrepreneurial skills, identify and select viable business projects or expand existing ventures, and carefully prepare business planning proposals for presentation to financial institutions.
- d. Principles, principles, objectives, and criteria of MSMEs
The principles of Micro, Small and Medium Enterprises include: kinship, economic democracy, togetherness, equitable efficiency, sustainability, environmental insight, independence, balance of progress, and national economic unity While the principles of empowerment of Micro, Small and Medium Enterprises, among others: (1) the growth of independence, togetherness and entrepreneurship of Micro, Small and Medium Enterprises to work on their own initiatives; (2) The realization of transparent, accountable and fair public policies; (3) Regional potential-based and market-oriented business development in accordance with the competence of Micro, Small and Medium Enterprises.

The Objectives of Micro, Small and Medium Enterprises Empowerment, among others:

- a. Realizing a balanced, developing and equitable national economic structure;
- b. Growing and developing the ability of Micro, Small and Medium Enterprises to become a strong and independent business system;
- c. Increase the role of Micro, Small and Medium Enterprises in regional development, job creation, income equality, economic growth, and alleviation of people from poverty.

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Economic Growth

A country's economic growth can be measured by comparing, for example for national measures, the current year's *Gross National Product* (GNP) with the previous year. According to the Friedrich List (1789-1846), the economic growth of a nation can be divided into four stages as follows: (1) Hunting and wandering periods. (2) The period of raising livestock and farming. (3) Farming and craft period. (4) The period of crafts, industry, trade, While Karl Butcher (1847-1930), Karl stated that the economic growth of a nation can be divided into four levels as follows: (1) The period of closed households. (2) City households. (3) The household of the nation. (4) World households.

Economic Growth Factors

Factors that affect economic growth are Human Resources (HR). Human resources are the most important factor in the development process.

a. Natural Resource Factors

Most developing countries rely on natural resources to carry out their development processes. The natural resources in question include soil fertility, mineral wealth, mining, wealth of forest products and marine wealth.

b. Science and Technology Factors

The rapid development of science and technology encourages the acceleration of the development process, the change of work patterns that originally used human hands was replaced by sophisticated machines impacting aspects of efficiency, quality and quantity of a series of economic development activities carried out and ultimately resulted in an acceleration of the rate of economic growth.

c. Cultural Factors

Cultural factors have their own impact on the economic development carried out. This factor can serve as a generator or driver of the development process but can also be an obstacle to development. Cultures that can encourage development include attitudes of hard work and smart work, honest, tenacious and so on. The cultures that can hinder the development process include anarchist, selfish, wasteful, KKN, and so on.

d. Capital Resources

Capital resources are needed by humans to process natural resources and improve the quality of science and technology.

2. Metode

This research was carried out on MSMEs in Klambir 5 Kebon Village spread across 19 sub-districts. MSMEs were chosen in the Klambir 5 Kebon Village Area as the object of research because researchers felt the need to find out how much the development of Micro, Small and Medium Enterprises to increase regional economic growth in Klambir 5 Kebon Village. The factors studied include the length of establishment, capital, labor, turnover, leadership and business innovation strategies of existing MSMEs. This research was conducted in the lecture process of the first semester of the academic year 2012/2013. In this study, a qualitative approach was used, which is a research procedure where the data produced is descriptive of the writing and observable behavior of the subject itself (Furchan: 1992). In the discussion, in addition to using quantitative data, qualitative data is also used as a basis for providing interpretation against findings in the field. The quality of research results in the field of social sciences is largely determined by the accuracy in choosing and using research

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methods. To determine research methods is certainly not an easy job because there are many alternative research methods that can be used where one complements the other. In accordance with the purpose of this study, which is to reveal the influence of the variables identified, researchers tend to use descriptive methods of analysis with the aim of explaining and expressing systematically between two or more variables, while testing one or several hypotheses that has been formulated. To carry out descriptive research using survey methods, it is expected that the predictive power and closeness of the relationship between the variables studied can be measured at once. In the discussion, in addition to using quantitative methods, namely to determine the influence of the observed variables, also using qualitative analysis to interpret the findings in the field. This study uses sampling with probability sampling techniques by means of *Proportionale stratified random sampling* (inhomogeneous population), namely sampling is carried out randomly by taking into account the existing strata. This means that each stratum is represented in proportion. Based on Taro Yamane's formula.

Meanwhile, to collect data in this study, researchers used documentation methods and interview methods. While the research instruments used in this study. Includes several variables including leadership orientation, innovation strategy, investment level, and company performance. Data processing and analysis is carried out simultaneously with the process of implementing data collection. In this study, the logic of deduction was used by comparing the theory behind the problem. Data obtained from the field will be processed by collect all existing data. The existing data is grouped, selected and further analyzed.

3. Results And Discussion

From the data collected, it can be seen that the average MSME in Klambir 5 Kebon Village has been established for more than 2 years and is still running today. The majority of the capital used by MSMEs in Klambir 5 Kebon Village still relies on funds from cooperatives, which are usually small in amount. Only 35% of MSMEs in Klambir 5 Kebon Village have received financial assistance from banks to develop their businesses. MSME owners in Klambir 5 Kebon Village generally lead their business units directly. They lead their own workforce who work in their business units. The total workforce that can be absorbed by MSMEs in Klambir 5 Kebon Village is 471 people.

The turnover/income of MSMEs in Klambir 5 Kebon Village is very diverse, ranging from Rp. 7,000,000 to more than Rp. 20,000,000,-. To find out the annual turnover of MSMEs in Klambir 5 Kebon Village. From the data above, it can be seen that the turnover generated by these MSMEs increases regional income which in turn can encourage regional economic growth in Klambir 5 Kebon Village. Meanwhile, the absorption of labor by MSMEs in Klambir 5 Kebon Village has been proven to reduce the number of unemployed. This means that the absorption of labor has a positive impact on poverty alleviation efforts in Klambir 5 Kebon Village. The number of employment by MSMEs in Klambir 5 Kebon Village can be seen at

4. Conclusion

From research conducted on MSMEs in Klambir 5 Kebon Village, it can be concluded that:

1. MSMEs in Klambir 5 Kebon Village can increase regional economic growth. This can be seen from the monthly turnover / income of all MSMEs in Klambir 5 Kebon Village, which is Rp. 808,000,000, - or equivalent to Rp. 9,696,000,000, - per year.
2. With the emergence of MSMEs in Klambir 5 Village, Kebon has a positive impact on poverty alleviation efforts through employment. This is evidenced by the absorption of

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labor by all MSMEs in Klambir 5 Kebon Village as many as 471 people. The absorption of labor means a reduction in the unemployment rate in Klambir 5 Kebon Village.

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