Revealing Regional Economic Potential Efforts to Increase the Development of Sharia-Based Leading MSMEs in Majene Regency

Irawati[1], Dian Rahmayanti Rivai[2], Nur Fitriani[3]

[1,2,3] Universitas Sulawesi Barat, Indonesia

Abstract

MSMEs contribute significantly to economic growth through their minimal investment capital requirements and comparatively high employment absorption rate, so MSMEs can be adjust and adapt flexibly to constantly changing market conditions. Increasing the number of MSMEs is not equal to an improvement the quality of MSMEs, largely to the classic problem of low productivity. This research aims to describe the phenomenon of superior SMEs and superior products, types of superior SMEs with exceptional products, and formulate policy strategies, following the potential of SMEs in Majene, West Sulawesi. This research used the documentation method with secondary data from books at BPS and Bapeda Majene Regency for the 2019-2023 period. The approach method and assessment process to find various types of SMEs and superior potential in the area will use the SWOT and Location Quotient analysis methods. The research results show that: Potential sectors that can drive the manufacturing sector, in terms of small-scale industries, are the agricultural, forestry, and fisheries industries, and the electricity and gas procurement sectors. Real Estate is the basic sector and the largest contributor to economic growth in Majene Regency. Policy strategies that can be implemented based on the SWOT, improving facilities and infrastructure, increasing workforce skills for small industries to maintain and improve the quality of their products. It is recommended that local governments continue to support small industries so that they remain a leading sector by making it easy for small industries to obtain the necessary permits, access capital, and marketing, and improve the skills of their workforce.

Keywords: MSME Development, Potential sectors, Superior

To Cite this Article
This will be filled by the editor.

INTRODUCTION

Regional economic development is a process in which the regional government and the community manages existing resources and forms a partnership pattern between local governments and the private sector to create jobs new areas and stimulate the development of economic activities in the region Every regional

economic development effort has the main goal of: increasing the number and types of employment opportunities and competitiveness for regional communities. In an effort to achieve these goals, local governments and their communities must jointly take regional development initiatives in developing potential and competitiveness in developing the regional economy, In the dynamic and competitive business world of today, where the exchange of ideas is proficient, a sustainable competitive advantage is crucial for long-term growth (Hamadamin & Atan, 2019). National development is an effort to improve the quality of Indonesian people and society carried out sustainably, based on national capabilities, by utilizing advances in science and technology and paying attention to global development challenges. For this reason, people's economic development should be the main priority for national economic development, because the goal of people's economic development is following the constitutional mandate, namely: improving welfare and social justice for all Indonesian people. Reforms in the national economic system must be directed toward a people's economic system that prioritizes the economic development of Cooperatives and Micro, Small, and Medium Enterprises (Todaro, 2021). Strengthening the MSMEs sector is essential not only for job creation but also for fostering economic inclusivity, reducing poverty, and increasing resilience to global economic shifts, which aligns with long-term goals of sustainable development.

The era of globalization with technological advances indeed entails a demand to support regional and national economic growth (Surya et al., 2021). Micro, Small, and Medium Enterprises (MSMEs) have an important role in economic development. The role of SMEs in assisting local governments must be seen from: Their situation as the main players in financial training in various regions, the biggest job suppliers, important players in the progress of nearby businesses and strengthening local areas and development springs (Pane & Arif, 2022). Due to their relatively high level of labor absorption and small investment capital requirements, MSMEs can flexibly adapt and respond to changing market conditions. This makes MSMEs less vulnerable to various external changes. We know that, businesses and academics strive to improve efficiency (Wang et al., 2024). Moreover, fostering innovation and improving access to technology will enable MSMEs to further optimize their productivity, create more value, and enhance their competitiveness in both local and global markets, ultimately contributing to long-term economic resilience (Sindhwani et al., 2023).

MSMEs can quickly seize various opportunities, for example, to carry out import substitution production and increase the fulfillment of domestic needs. Therefore, the development of MSMEs can support economic diversification and accelerate structural change, which is a prerequisite for stable and sustainable long-term economic development small and medium enterprises (SMEs) play an important role in economic revival and growth (Farida & Setiawan, 2022) and can lead countries to increase competitiveness (Small and medium enterprises play a crucial role in the economic development of many countries (Beck T., 2020). MSMEs This also played a role in encouraging the rate of economic growth after the 1997 monetary crisis when large companies experienced difficulties in developing their businesses (Matt et al., 2020).

The increasing number of MSMEs has not been matched by developments in the quality of MSMEs which still face the classic problem of low productivity. This situation is directly related to (a) the low quality of human resources, especially in management, organization, technology, and marketing; (b) weak entrepreneurial competence; (c) the limited capacity of MSMEs to access capital, technological and market information, as well as other production factors. Meanwhile, external problems faced by MSMEs include (a) large transaction costs due to a less supportive business climate; (b) unhealthy business practices; and (c) limited information and business support networks. Apart from that, MSMEs also face challenges, especially those posed by the rapid development of economic globalization and trade liberalization along with rapid technological developments (Tambunan, 2021).

The ability of MSMEs to compete in the era of free trade, both in the domestic market and in the export market, is largely determined by two main conditions that need to be met. First, the internal environment of MSMEs must be conducive, which includes aspects of human resource quality, mastery of technology and information, organizational structure, management system, business culture, capital strength, business networks with external parties, and level of entrepreneurship. Second, the external environment must also be conducive, which is related to government policies, legal aspects, market competition conditions, economic-social-social conditions, infrastructure conditions, community education level, and global economic changes. Apart from these two conditions, the strategy of empowering MSMEs to be able to enter the global market is very important to ensure the survival of MSMEs (Todaro, 2021).

Table 1. Development of Micro and Small Industry Production Values by Regency in West Sulawesi Province.

Regency	Micro and Small Industry Production Value by Regency (Thousand Rupiah)		
	2021	2022	2023
Majene	317.530.462	216.216.721	213.533.237
Polewali Mandar	131.925.694	124.750.569	107.481.761
Mamasa	27.195.810	34.667.231	51.121.183
Pasang Kayu	71.830.196	138.055.085	164.068.178
Mamuju Tengah	14.706.486	51.196.536	53.682.186
Mamuju	181.594.953	171.627.429	174.211.649

Source: BPS, 2024

In table 1, it can be seen that Majene Regency experienced a decrease in production value from Rp. 317,530,462 in 2021 to Rp. 213,533,237 in 2023. Polewali Mandar Regency also experienced a significant decrease from Rp. 131,925,694 in 2021 to Rp. 107,481,761 in 2023. Furthermore, the Mamasa district experienced an increase from Rp. 27,195,810 in 2021 to Rp. 51,121,183 in 2023. Pasangkayu district shows an increase in production value from Rp. 71,830,190 in 2021 to Rp. 164,068,178 in 2023. Furthermore, Central Mamuju Regency experienced a decrease from Rp. 14,706,486 in 2021 to Rp. 53,682,186 in 2023 and Mamuju Regency shows a slight increase from Rp. 181,594,953 in 2021 to Rp. 174,211,649 in 2023 (BPS, 2024). The

total change for each district shows a different trend, some experiencing a decrease and some experiencing an increase. Pasangkayu and Mamasa regencies experienced the most significant increases, while Majene and Polewali Mandar regencies experienced quite large decreases. Overall, it provides an overview of the fluctuations in the production value of micro and small industries in various districts in West Sulawesi from 2021 to 2023, with the stability of Small and Medium Enterprises (Menne et al., 2022).

MSMEs can absorb many Indonesian workers who are still unemployed. Apart from that, MSMEs have contributed greatly to regional income and Indonesian state income. Small and Medium Enterprises (MSMEs) have a fairly large role in national economic development, this can be seen from their contribution to Indonesia's Gross Domestic Product (GDP), economic studies that have tried to analyze growth a lot (Ciptawaty et al., 2020). However, in their development, MSMEs have limitations in various ways, including limited access to market information, limited market reach, limited work networks, and limited access to strategic business locations. For this reason, efforts are needed to increase MSMEs' access to market information, business locations, and business networks so that their productivity and competitiveness increase. Especially for MSMEs in the Majene Regency. The problem formulation in this research includes: 1) What types of MSME products and commodities have potential and need to be developed in Majene Regency? 2) What is the level of employment for MSMEs in Majene Regency? 3) What efforts should be made to develop these types of MSMEs and superior products?. The aim of this research is first, to analyze what types of MSME products and commodities have potential and need to be developed in Majene Regency. Second, Analyze the level of employment of MSMEs in Majene Regency. Third, analyze the efforts that must be made to develop these types of MSMEs and superior products. The benefits of the results of this research theoretically can be used as a reference and contribution of thought for other researchers, while practically it can be used as information in analyzing the economic potential that exists in Majene Regency by looking at its base sector.

There is a gap in understanding how various stakeholders, such as government, society and business actors, collaborate in developing MSMEs. This research will explore these dynamics. Many studies propose strategies for developing MSMEs, but they lack depth in explaining the local factors that influence the success of these strategies. This research will highlight these aspects, so that the proposed strategy is more applicable. This research highlights the specific economic potential of Majene Regency, providing a deeper understanding of the local characteristics that influence MSME development. This differentiates it from more general studies that do not consider regional factors. This research can provide in-depth insights to regional policy makers. With a better understanding of local economic potential, the government can formulate more targeted policies to support MSME development, such as tax incentives, training or financing programs. This research identifies leading sectors that can encourage MSME players to innovate in their products and services. By focusing on local and regional market needs, MSMEs can create more relevant products, which in turn will increase sales and strengthen their position in the market. The innovation process is at high risk of failure, so MSMEs owners need accurate calculations in decision making (Latifah et al., 2021).

Economic development is a process that occurs continuously and is dynamic. Economic development is also related to the real per capita income received by the population. Regional economic potential in development is enhanced through comprehensive assessments, prioritizing local production complexes, and implementing targeted projects to boost socioeconomic growth (Maksubova & Umargadzhieva, 2021). According to (Todaro, 2021) Strategies of economic development differ widely in terms of approaches to State intervention (Cardinale, 2019). The success of economic development is demonstrated by three main values, namely the development of society's ability to meet their basic needs; increasing people's sense of self-worth as human beings, and increasing people's willingness to vote. Therefore, Economic development models highlight that regional economic potential in developing areas relies on specific drivers and growth rates, influencing overall macroeconomic stability (Erokhin et al., 2023). Regional and national economic development is and will face fundamental changes that are taking place very quickly and require readiness, especially for small, micro, and medium enterprises (MSMEs). The rapid development of technology has encouraged the improvement of digitalization processes in various aspects and industries, including micro, small, and medium enterprises (MSMEs). In general, the characteristics of one country and another are almost the same, but in terms of benchmarks/standards of measurement, they vary from one country to another, such as maximum assets, business turnover, capital, number of workers, management style implemented, and so on (Arsyad, 2021). Currently, regional economic potential in developing countries may increasingly rely on business services as a complementary growth engine amid declining industrial sector significance (Sánchez, 2022). Traditionally, large companies have tended to exploit value from scale, allowing SMEs to fill in the gap with more specialized or more customized services and products (Azevedo, 2021). Besides that, cooperation can enhance regional economic potential by mobilizing local leadership, effectively integrating economic, social, and environmental goals for sustainable development in communities.

Economic development theory focuses on processes that increase people's income and quality of life through the efficient use of resources. The development of MSMEs is considered as one of the driving forces for local economic growth. By increasing the capacity of MSMEs, regions can create jobs, increase income and diversify the economy. Various strategies and policies to support MSME growth, including training, access to financing, and marketing. This model provides guidance for interventions that can increase the competitiveness of MSMEs, especially those that focus on superior products in Majene Regency. Economic Uncertainty Theory States that external factors, such as economic fluctuations and government policies, can influence the stability and growth of MSMEs. Although MSMEs have potential, economic uncertainty can hinder their investment and growth, which needs to be considered in strategy development. MSMEs often face difficulties in accessing market information and resources, which limits their ability to compete with larger companies. The era of digitalization presents opportunities and challenges for Micro, Small and Medium Enterprises because An economy is said to be experiencing economic growth when there is a rise in the production of products and services (Johanes et al., 2024).

The synthesis between supporting and conflicting theories shows that although there is a lot of potential to develop MSMEs in Majene Regency, the challenges faced must be addressed systematically. Theories of economic development and entrepreneurship highlight the importance of MSMEs in driving growth, but theories of economic uncertainty and information asymmetry emphasize the risks and challenges that can hinder such development. entrepreneurship has emerged as a vital force pro-pelling innovation, fostering environmental responsibility, and driving overall growth across business sector, to optimize regional economic potential, an approach is needed that includes strengthening the capacity of MSMEs, increasing access to information and resources, and creating a more stable and supportive economic climate (Kaplinsky, 2019). This synthesis can be used to recommend policies that not only support MSME development but also reduce risks and increase information accessibility, thereby creating an ecosystem that is more conducive to growth. Economic growth is shaped by two categories of components: economic factors, which include natural resources, capital accumulation, organization, and technical progress, and noneconomic factors, which encompass social factors, human factors, and political and administrative factors (Doughan, 2020). The importance of MSMEs in the national economy will increase their commitment and participation in national development. Despite their importance, SMEs often face significant barriers to accessing bank financing, which limits their growth potential (Derradj & Medjden, 2022). This is supported by constitutional institutions and implementing regulations (GBHN, Small Business Law, Cooperative Law, and Propenas Law) which prioritize economic development for MSMEs in the context of realizing a people's economic system. Every regional economic development effort has the main goal of increasing the number and types of employment opportunities for regional communities (Suparmoko, 2021).

The Innovation Incubator enhances regional economic potential by fostering collaboration between academia and MSMEs, promoting innovation, knowledge transfer, and sustainable development to strengthen competitiveness. To achieve this goal, regional governments and their communities must jointly take regional development initiatives. Therefore, local government, community participation, and various existing resources must be able to estimate the resources needed to design and develop the regional economy (Arsyad, 2021). In addition, regional autonomy is expected to be able to foster a conducive business climate for MSMEs. However, SMEs were found weakened in tackling the above multidimensional challenges (Ragazou et al., 2022) and have not shown even progress. Because unstable economic growth means demand for services is also unstable, thus becoming an obstacle to the development of the economic sector (Çetin et al., 2023). However, there are still other regions that view MSMEs as a source of genuine regional income by imposing new levies on MSMEs so that MSME business costs increase (Sriyana, 2019). In the process of developing cutting-edge products, SMEs must invariably rely on R&D from external quarters (Sanmugam, 2022).

The basic theory of economics is that there are two sectors of activity, namely economic base sectors and non-economic base sectors. The base sector is a sector which has great potential in determining comprehensive development in the region, while the non-based sector is a supporting sector in comprehensive development

the. Base activities are activities oriented towards exporting goods and services to outside the boundaries of the relevant economic area because this sector is sufficient needs in the area. Non-basic activities are providing activities goods and services needed by people within regional boundaries economy in question without exporting outside the region because the sector's ability to meet local needs is still limited. Wide scope production and marketing are local.Economic Basis Theory is a theory or approach that aims to explain regional development and growth (Irawati, 2023). The main idea is that some economic activities in a region are specifically economic-based activities, that is, in the sense that their growth leads and determines the development of the region as a whole, while other non-base activities are simply a consequence of the overall development of the region. Thus, the regional economy can be divided into two parts, namely base activities and non-base or non-base activities (Rusdarti, 2020). The role of industry in regional growth was clearly stated by Yeates and Gardner (Arifin, 2021), that industrial activity is an important factor in the mechanism of regional development and growth. This is due to the multiplier effect and innovation caused by industrial activities that interact with the potential and constraints of the region. A Russian economic expert (Rostow), also said that the take-off stage in economic development is characterized by rapid growth in one or several industrial sectors, conceptualizing sustainable development as a process of maintaining balance and reconciliation (Dockry et al., 2016).

The substance of this research aims to answer three research questions regarding the problem of regional economic potential in developing superior MSMEs in Majene Regency. In this research, the issue of superior potential is the main basis. The real conditions that occur in the development of MSMEs with all the problems they face boil down to problems such as the type of superior potential and strategies taken, capital problems, and the quality of human resources. The MSME sector is a sector that was able to survive the crisis that hit Indonesia in 1997-1998. The MSME sector also absorbs a very large number of workers and can become a contributing sector to the Indonesian APBN. To offer a first integrated perspective on organizational culture, sustainable development, and digitalization levels in SMEs, and their linkages (Carla, 2022). The data used is secondary data regarding the GRDP level of Majene Regency and West Sulawesi Province in 2020-2023, which is used to analyze the index level *LQ* from Majene Regency. Apart from data regarding GRDP levels, data on the number of job seekers, the composition of the working population, non-labor force, and unemployment are also used. Data was also used regarding the development of the City Minimum Wage from Majene Regency, and labor absorption data from the MSME sector. From the results of the Index analysis *LQ*, it will be known which economic sectors are as dirty as the superior commodities of Majene Regency. Therefore, SMEs need to prepare strategic flexibility (Arsawan et al., 2022).

METHODOLOGY
The type of research carried out is qualitative research with a literature review, namely how to write, reduce, and present data. The data sources in this research

come from books related to the problem that is the object of study, which follows the subject matter.

Figure 1. Research method flow
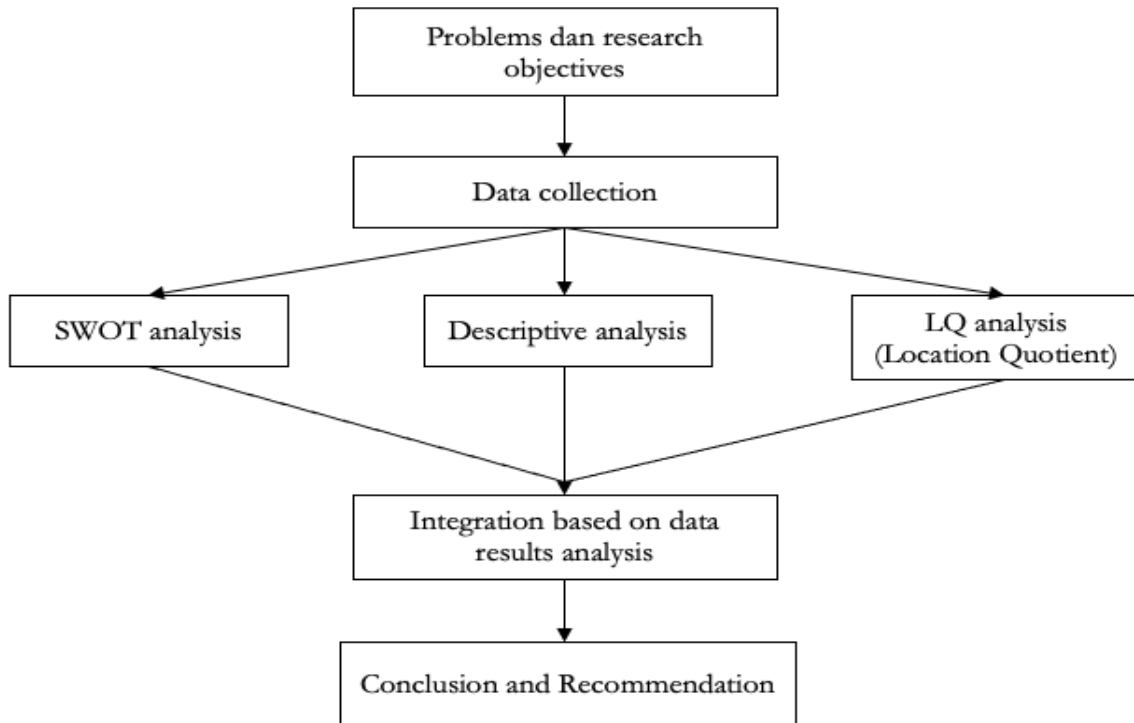
Source: Author, 2024.

The first data analysis technique used is SWOT analysis which is used as a basis for determining strategies to determine strengths and weaknesses as well as challenges and opportunities that will be faced by MSMEs. SWOT analysis is an analysis of the internal and external conditions of an organization which will then be used as a basis for designing strategies and work programs (Yusuf et al., 2024). Internal analysis includes assessing strength and weakness factors. Meanwhile, the external analysis includes opportunity and challenge factors. SWOT is an abbreviation of strengths, weaknesses, opportunities, and threats. This approach tries to balance the organization's internal strengths and weaknesses with the opportunities and threats of the organization's external environment.

The second analysis in this research was carried out using a descriptive statistical approach. This analysis provides a picture of consistent patterns in the data so that the results can be studied and interpreted briefly and in-depth based on the results of descriptive analysis (Ulas, 2019). In descriptive analysis, interpretation of the data and relationships in the research is carried out. In addition, comparisons are also made between research results and related research results and correlations are made between these research results and relevant theories or concepts. Furthermore, descriptive analysis can also be carried out using relatively simple statistical techniques, such as using tables, graphs, and cumulative percentages. By referring to the definition of descriptive analysis, even though the analytical method used in this

research is relatively simple, it can answer the research objectives in formulating policy recommendations.

The third analysis, Optimal Control Theory: An Introduction" by Donald E. Kirk: This book provides an in-depth explanation of optimal control theory, including the LQ method, Technique is LQ analysis which is used to identify the internal potential of a region, namely which sectors are
base sectors and which are not base sectors. The LQ formulation can be written mathematically as follows:

$$LQ = \frac{S_i IS}{N_i IN}$$

Where LQ is the Location Quotient Value, Si is GDP sector I in West Sulawesi Province is the total GRDP in West Sulawesi Province, Ni is GDP sector I in Majene Regency, and N is the total GRDP in Majene Regency. The assumption used is: If the value LQ > 1, then this indicates that there is a concentration of activity in the i-th sub-region relatively compared to the total area or there is a concentration of activity in the i-th sub-region. If the LQ value = 1, then the i-th sub-region has an activity share equal to the total share. If LQ < 1, then the i-th sub-region has a relatively smaller share compared to activities generally found throughout the region. With structured research methods and credible references, this research is expected to provide in-depth insight into regional economic potential and the development of superior MSMEs in Majene Regency. The use of a mixed approach allows researchers to obtain comprehensive and contextual data, which is essential in understanding existing dynamics.

RESULT AND DISCUSSION

This analysis is used to determine which economic sectors are classified as basic economy sectors or have export potential, and which are not basic sectors. If the calculation results show a value greater than one (LQ > 1), it indicates that the sector is a base sector. Conversely, if the result is less than one (LQ < 1), it means that the sector is not a base sector. Location Quotient (LQ) is an analytical tool that can be used easily, quickly and precisely which can be used repeatedly various reference changes and time periods. Potential sectors or leading sectors are formed from the resulting production development by the potential of the region Location Quotient is the ratio between the GRDP of a particular sector to the total GRDP value in an area compared to other sectors at a higher economic level. The Location Quotient (LQ) method provides valuable insight into the economic structure and sectoral strengths of a region. By identifying base sectors, we can better understand which sectors contribute most to the regional economy and have the potential for development or export. The complete results of Majene Regency's LQ calculations for the last 5 years (2019-2023) can be seen in Table 2 below:

Table 2. Results of Location Quotient Index Analysis for Majene Regency for 2019-2023.

Type Of Work	LQ					
	2019	2020	2021	2022	2023	Value Average
Agriculture, Forestry and Fisheries	0,888896008	0,88873042	0,895005953	0,894159929	0,909364124	0,895231287
Mining and Quarrying	1.165263512	1,147999119	1.117640254	1.138068123	1.12677572	**1,139149346**
Processing industry	0,512117228	0,534221179	0,536679806	0,551878056	0,536874373	0,534354128
Procurement of Electricity and Gas	1.686318478	1,643094021	1.559639006	1.680483866	1,6490201	**1,643711094**
Water Supply, Waste Processing, Waste and Recycling	0,7872659	0,771984357	0,825256131	0,799544305	0,771357145	0,791081567
Construction	0,956214784	0,965725237	0,95260077	0,942558007	0,952071784	0,953834116
Wholesale and Retail Trade, Car and Motorbike Repair	0,977623527	0,979105527	0,978689718	0,975898757	0,966473926	0,975558291
Transportation and Warehousing	1.064712844	1,073153115	1.092463143	1.099765393	1,108929334	**1.087804766**
Provision of accommodation and food and drink	1.210860531	1,223608076	1,23636058	1,205591782	1,20629485	**1,216543164**
Information and Communication	1,137493226	0,05225117	0,055338269	0,059004076	0,059586995	0,272734747
Financial Services and Insurance	1,584524813	1,572947963	1,578463043	1.577200016	1.627102997	**1.588047767**
Real Estate	2.094503597	2,144443092	2,185448304	2.121095585	2,215504104	**2,152198936**
Company Services	0,598834911	0,594295999	0,588079288	0,590243775	0,574167611	0,589124317
Government Administration, Defense, and Mandatory Social Security	1.274150468	1.276267059	1.281392543	1,290113128	1,268715461	**1.278127732**
Education Services	1.728310661	1.729266174	1,738441272	1,732279387	1,745303396	**1.734720178**
Health Services and Social Activities	0,698973246	0,697961614	0,702503661	0,675871911	0,702705341	0,695603154

Source: Secondary Data Output after processing, (2024).

Based on Table 2, it can be shown that in Majene Regency there are eight sectors which are basic sectors, namely agriculture, forestry and fisheries with an index value of 1.89, the Electricity and Gas Procurement Sector with an index value of 1.64, the Transportation and Warehousing Sector with an index value of 1. .08, Accommodation and Food and Drink Provision Sector, Financial Services and Insurance Sector with an index value of 1.58, Real Estate Sector with an index value of 2.15, Government Administration, Defense and Mandatory Social Security Sector with an index value of 1.27, and Sector Education Services with an index value of 1.73. These eight sectors show that the main source of income for Majene Regency comes from the service sector. This is following the characteristics of Majene Regency which is at the center of growth. Apart from these eight sectors, there is considerable potential for development that can support the development of the MSME sector, namely the Construction, Wholesale and Retail Trade, and Car and Motorbike Repair sectors. With all the conditions above, the question arises as to what changes The sectoral contributions that occur have been based on policy strategies appropriate development, namely strategies that provide optimal impact for economic growth, increased employment opportunities, and improvement population welfare. Because to carry out development with limited resources, as a consequence must be focused on development of sectors that provide a multiplier impact (large effect) on other sectors or the economy as a whole overall. This research tries to describe patterns of change and growth sectors in the economy, as well as determining the leading sectors, so that taken into consideration in policy formulation and planning development in Majene Regency.

These sectors are the basic or superior sectors in Majene Regency, West Sulawesi Province, meaning that these sectors are able to meet the needs of their own region. also supplies other regional needs. These sectors have great potential if developed to the maximum and can be a source of encouragement economy in Majene Regency, West Sulawesi Province because it has strength and good prospects in the future come. The geographical location of Majene Regency which is close to Polewali Mandar, Mamuju, Mamasa, and other supporting districts is a consideration that can enable the MSME sector to grow quickly. The availability of supporting facilities and infrastructure in the Majene Regency can also support the progress of the MSME sector in the Majene Regency. In Majene Regency the potential for MSMEs is quite large and increases every year. The increase in the number of MSMEs that occurs every year also provides greater job opportunities for the residents of Majene Regency. By the end of 2023, according to BPS 2024, the number of MSMEs in Majene Regency will reach 2,000 businesses. The increase in MSMEs is driven by the opening of services Online Single Delivery (OSS) risk-based in business licensing. These findings provide a signal for several developing countries, such as Indonesia, and especially for SMEs (Budi H., 2022).

Analysis of Majene Regency's Labor Absorption Level

Employment is an important indicator of economic development, especially in the government's efforts to overcome poverty. This is because labor is capital for the movement of development. The problem of providing employment opportunities is quite a serious problem in Majene Regency. The gap between the number of job

seekers and available vacancies is getting wider from year to year. The composition of working groups based on age in 2023 is dominated by the 25-29 age group with a total of 32,653 people, followed by the 30-34 age group with a total of 21,619 people, next is the 20-24 age group with a total of 14,707 people, and the 35- 55 amounting to 10,356. Of the total population between the ages of 15 and over 55 years, the productive age absorbs a larger number of the working population, namely 79,335 people. This is very understandable because, at this productive age, people are required to improve their welfare. Another problem is unemployment, the largest unemployment is in the 15-19 years age group, with a total of 178 people. The number in this group may be because many are not yet fully employed (underemployed) or perhaps because they are still of school age. The productive age group that contributes the most to unemployment is the 20-24 age group with 237 people and the 25-29 age group with 1,322 unemployed people. The large number of unemployed in the productive age group must be of full concern to the Majene Regency government because, from year to year, the number of unemployed in the productive age group will continue to increase.

Job Seeker, especially for job seekers in Majene Regency, there is a quite striking difference in the number of job seekers compared to the availability of job opportunities. The dominant group of job seekers is the high school/equivalent group with 141 people remaining from 2023. In 2023, the number of job seekers who have been placed will be 494 for the high school/equivalent graduate group. The composition of the number of job seekers and the availability of job opportunities continues to be a very serious social problem faced by the Majene Regency government. Job vacancy According to data from the Majene Regency Manpower Office, the number of job vacancies registered until December 2023 was recorded at 2,738 vacancies, while 4,815 job seekers registered.

SWOT Analysis

SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis is one of the oldest and most widely adopted strategy tools worldwide (Puyt et al., 2023). From these factors, several alternative strategies that can influence regional development can be obtained.

Table 3. SWOT Matrix.

INTERN EXTERNAL	OPPORTUNITY (O)	MAINTENANCE (T)
POWER(S)	Comparative Advantage (SO)	Mobilization (ST)
WEAKNESS (W)	Divestment/Investment (WO)	Damage Control (WT)

Source: (Puyt et al., 2023).

From the SWOT matrix above, it can be divided into 4 cells, with each cell having its characteristics. These cells are:

Comparative Advantage (SO)

This cell is a meeting of two elements of strength and opportunity, thus providing the possibility for an organization to develop more quickly. The advantages that Majene Regency has as a region with a very strategic geographical location make investors' interest in investing their capital very large. Following the results of the LQ, one of the leading sectors that can be developed by MSMEs is the service sector. Especially for Majene Regency, which is close to the sea and mountains, the service sector is a sector that has enormous potential to be developed and is an option for small businesses to start or develop their business. Several strengths can support the development of MSME businesses that will be developed. Apart from its strategic location, other supporting strengths are adequate infrastructure, huge support from the government, and a very large population as support for the employment sector. However, SMEs were found weakened in tackling the above multidimensional challenges (Oliveira et al., 2022).

In the strategy developed through SWOT in the strategy *Strength Opportunity (SO)*, It appears that economic development in Majene Regency or the region, for services and other superior sectors, can increase the competitiveness of local products. Its development is very rapid, which can strengthen the regional economic structure by placing the industrial sector as a driving force supported by natural resource potential (SDA) and other related sectors. So that the existence of MSMEs as one of the drivers of the economy can run well and provide maximum roles and benefits. The importance of innovation for firms' and industries' success and competitive survival is not new (Antonio, 2022).

Divestment Investment (WO)

This cell is an interaction between organizational weaknesses and external opportunities. Situations like this provide a choice in a blurry situation. The opportunities available are very attractive but cannot be exploited because the existing forces are not enough to work on them. The decision options taken are (to let go of existing opportunities to be utilized by other organizations) or insist on working on those opportunities (investment). Apart from several strategic advantages possessed by MSME business development in the Majene Regency, several problems could hamper the development of the MSME sector. Among them are facilities and infrastructure that are concentrated in certain areas, the development of the service and trade sectors which puts pressure on the industrial sector, and wide disparities between populations. The problem of facilities and infrastructure concentrated in certain areas is also a problem faced not only by the Majene Regency. The biggest problem is the development of the service and trade or processing sectors which puts pressure on the industrial sector. According to the LQ results, one of the basic sectors in Majene Regency that has great potential for developing MSMEs is the Construction, Wholesale and Retail Trade, and Car and Motorcycle Repair sectors. However, if the development shifts the industrial sector, it is feared that it will give rise to new problems, for example decreasing labor

absorption. The strategy used to minimize problems that might arise is to maximize existing resources and distribute development evenly. With equitable development, it is hoped that there will also be equal distribution of facilities and infrastructure supporting the development of MSMEs. Therefore, the role of MSMEs, which is currently already high in terms of labor absorption, can be even higher.

Mobilization (ST)

This cell is an interaction between threat and strength. Here, efforts must be made to mobilize resources that constitute the organization's strength to mitigate threats from outside, and then even turn the threat into an opportunity. Threats that may arise from the development of MSMEs in Majene Regency include the impact of globalization causing a decline in society's moral values, the existence of competition between regions, both directly and indirectly, in the development of economic growth centers such as industrial areas and central business areas which influence investor interest. A form of strategy that can turn threats that may arise from the development of MSMEs into opportunities is by improving the quality of resources and improving the quality of highly competitive products. Products developed by MSMEs must have a unique value that can be an advantage in the output of the MSME compared to the results of other producers. Apart from that, to maintain the morale of existing human resources there must be development of human resources that have high competitiveness and strengthen its innovation ability (Arsawan et al., 2022).

Damage Control (WT)

This cell is the weakest condition of all cells because it is a meeting between organizational weaknesses and external threats, and therefore the wrong decision will bring major disaster to the organization. The strategy that must be taken is *Damage Control* (controlling losses) so that it does not become worse than expected. Threat sectors that may arise from MSME development efforts must be faced with the right strategy. Effective and efficient use of existing resources and equitable development can be an alternative strategy that can be used in developing MSMEs. Apart from that, human resources and product choices which are the core of MSME development must also have high competitiveness. The government, as the party that has a role in terms of legality, must be able to provide great support to MSMEs, and also protect the businesses they undertake from threats from external parties with greater resource power.

CONCLUSION

Based on the results of the index *Location Quentient* (LQ), Majene Regency has eight sectors which are basic sectors. These eight sectors show that the main source of income for Majene Regency comes from the service sector. The largest number of workforce absorption in Majene Regency is in the age range 25-29 with a total of 32,653 people, and the MSME sector is capable of absorbing 10,529 people in 2023. The Recommendation contains program efforts made to develop MSME businesses include developing the quality of Human Resources, equitable development, and

simplifying supporting infrastructure such as capital issues, business guidance, and business network development. The regulations from the government that are needed to provide opportunities for the development of MSMEs include improving facilities and infrastructure, access to banking, and improving the economic climate to support and increase their competitiveness and to increase market share. Limitation of this research is limited variables. This research primarily relies in key indicators, such as labor absorption and sectors contributing to the regional economy. However, there is other influencing factors were not explored in depth in this research. Therefore, for the future research focus on more detailed analyses of each subsector within MSMEs sector. The contribution of this research provides important insights into the potential of the MSMEs sector in Majene Regency, including to understanding the local economy, mapping the MSMEs sector, recommendation policies and MSMEs development, and fruitful for stakeholders.

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