



## ANALYSIS OF REGIONAL ECONOMIC GROWTH IN THE SMALL AND MEDIUM ENTERPRISE SECTOR IN SUNGAI PAUH PUSAKA VILLAGE

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### Abstract

Business activities are hard work to improve people's lives. Basically, the diverse needs of the community encourage people with various business activities which are then expected to be able to meet these needs. For economic livelihoods, people need to identify potential and opportunities in the surrounding environment that will be used as business opportunities. The research method used is field research or using a qualitative approach. The results of the study are: a) The economic growth of business actors in Sungai Pauh Pusaka Village, West Langsa District, Langsa City with the many developments of business actors emerging in the village has an impact on the economic growth of the community, considering that the activities of micro, small and medium enterprises can change the economy for a community, but in 2020 economic growth experienced a decline of 87% caused by Covid-19, b) The main problem faced by business actors in Sungai Pauh Pusaka Village is the problem of decreasing turnover of their merchandise, this is caused by the Covid-19 Pandemic which has not ended.

**Keywords:** Economic Growth, MSMEs, Sungai Pauh Heritage Village

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**Keywords :** Growth Economy, MSMEs, Sungai Pauh Village Heirloom



## 1. INTRODUCTION

Activity business is Work hard For increase life society. Basically, the needs diverse society push public with various activity next business expected capable fulfil need said. With matter this, then field work that can absorb power Work very needed. Indonesia is identical with source Power its rich nature, even though thus in its development Still Not yet maximum (Raharjo.2013). So that public sued For develop in every area fulfil his needs. For eye livelihood economy, society need identify potential and opportunities in the environment around will made into opportunity business. With hope Can made into opportunity For absorb power Work from public around. Opportunity business in frame fulfil needs and involves source Power humans who have and have not capable managed government through establishment of Micro, Small and Medium Enterprises (MSMEs).

According to Fair and Case (2007) Micro, Small and Medium Enterprises (MSMEs) are component important in national and regional economies. Development of Micro, Small, and Medium Enterprises done use method raise and multiply entrepreneur. So that public the village was also given skills with hope For fulfil economy family and society village.

Economic development interpreted as improvement income per capita public that is level increase in Gross Domestic Product (GDP) by one year certain exceed level increase population (Badrudin, 2012). In draft knowledge economic development can interpreted a growth process sustainable economy, where some big public switch from level a life of poverty towards a better life good. Activities economy is something business For increase power and level life public.

At least since the start of the reform era , paradigm planning development change from planning comprehensive become planning strategic paradigm planning strategic selected by the government Because felt own clear benefits in term short time ( Roselendro.2017). Paradigm planning strategic approach adopted by the government in activity planning development area own mark more with existence stakeholder involvement (respective stakeholders) interests ) that make planning development area become appropriate target (Sadono, 2017). However thus connection planning development expected by the government in the Micro, Small and Medium Enterprises sector that is tending towards reduction number unemployment.

According to data from the Central Statistics Agency In 2020 , the number of Micro , Small and Medium Enterprises or MSMEs in Indonesia reached 62.9 million units consisting of from ; agriculture , animal husbandry , processing , trade , services and communications . In Indonesia, MSMEs have role strategic and big influence for development National economy with total 64,194,057 in 2018 with employ approximately 116,978,631 workers Work.

The contribution of Micro, Small and Medium Enterprises (MSMEs) to GDP in 2012 was recorded reach the figure was 59.08 % and reached 2018 60% figure , total contribution the is accumulation that comes from from all sector MSME economy . Therefore that, can it is said that MSMEs are capable agent bring change in a way continuously in society Because capable help advance and bring innovation as well as increase creativity. In 2019, the contribution in the Micro, Small and Medium Enterprises sector to development man based on the Central Statistics Agency Aceh Province reached 65% or around Rp. 2,395.5 trillion equivalent with grew by 5% (Utomo, Arini.2017). This is what must be noticed by the government center however government area, because contribution from Micro, Small and Medium Enterprises sector very influential big for state and regional income.

Moment government currently make an effort optimize condition the Indonesian economy , especially Aceh , the Covid-19 pandemic came with all impact negative . Impact from



pandemic This very influential in all aspects, especially in conditions health and the country's economy. With existence Covid-19 pandemic , no can denied that the Indonesian economy today This currently is at in " very " condition No stable " even on the perpetrator Micro, Small and Medium Enterprises sector very feel its impact (National Statistics Agency , 2020).

Based on growth data economy from year to year, growth Indonesia's economy in the first quarter of 2020 was the largest in the sector information and communication by 0.53 percent. This is Enough Can understandable remember existence recommendation government for "at home" just ", then many people run work, entertainment, and education through technology information. With condition the sales volume PLN electricity to House the stairs are automatic increased. Based on release from the Central Statistics Agency, the number traveler foreigners who come to Indonesia in the first quarter of 2020 also decreased drastic only a total of 2.61 million visits, decreased by 34.9 percent when compared to year then (Santosa, Aldida.2013). This in line with existence prohibition flight between countries that are starting implemented in the middle February. Total passenger transport land and air also decreased along with implementation Restrictions Social Scale Large (PSBB) (Dunska.2019).

This covid-19 pandemic of course impact on all sector No except also has an impact on growth Micro , Small and Medium Enterprises economy in Sungai Pauh Village Heirloom Subdistrict Langsa Baro , Langsa City . Sungai Pauh Village Heirloom is area coast Langsa City Government with amount resident reached 2411 people, eyes livelihood resident village river far among them traders and fishermen. As for amount resident village river far heirlooms in the table below This:

Table 1.1  
Amount Resident Sungai Pauh Village Heirloom

Village Name	Man	Woman	Total
Pauh River Heirloom	1,262	1,149	2,411

Source: Geucik Sungai Pauh Office Heritage, 2025

From the table above in the data table 1.1 Gampong Sungai Pauh Heirloom is at in the work area Subdistrict West Langsa Langsa City Government, number resident Sungai Pauh Village Heirloom that is as many as 2,411. There are three owned hamlet Sungai Pauh Village Heirloom including Hamlet Km V, Hamlet Nelayan, and Hamlet Kesatuan. Of the three hamlet the public village river far heirloom earning dominant in business small and fishermen.

Table 1.2  
Amount MSME Traders in Sungai Pauh Village Heirloom



No	Nama Usaha	Jumlah/Unit
1	Ikan Asin	6
2	Terasi	4
3	Sirup Manggrove	3
4	Bolu Ikan	3
5	Aneka Donat	1
6	Aneka Manisan Buah	6
7	Usaha Lauk Masak	2
<b>Jumlah</b>		<b>25</b>

Source: Langsa City Industry, Trade and SMEs Service , 2023

From the table data amount Micro, Small and Medium Enterprises above what is in Gampong Sungai Pauh Heirloom totaling 25 business units , from results interview researchers do during the covid-19 pandemic which started at the end 2019 to with in 2020, the perpetrators MSME businesses in Sungai Pauh Village Heirloom Subdistrict Langsa Langsa City Baro very feel impact occurrence pandemic This amount turnover sale decrease drastically . Before pandemic happen average income amount MSME actors range from Rp. 3,000,000 to with Rp. 4,500,000 per month, not yet Again existence request from outside area for example like Meda City. Then during the pandemic amount income declining average income per month only Rp. 1,500,000. not yet Again with existence increase rates base electricity, costs need House stairs, and needs child school.

## 2. RESEARCH METHOD

As for approach research conducted in study This is with using field research (research) field). As for type study with use study qualitative research qualitative is the process of searching for data for understand problem social science based on holistic research, formed by words and obtained from scientific situation (Sugiyono.2019).

Types and Sources of Data. Primary data is data obtained directly in the field from respondents or source, then the data will processed by the author. In study This is the data that the author has use as primary data is observation and interviews. Secondary data namely the data obtained from office that has served or published as required by researchers, which is related with research being studied is documentation consisting of from tables, charts structure organization.

## 3. RESULTS AND DISCUSSION

### a. Growth Economy Region MSME Sector in Sungai Pauh Village Heirloom

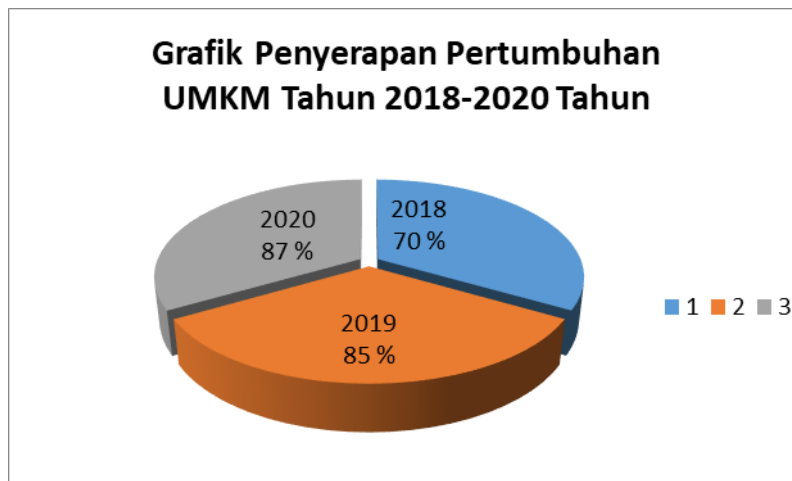


Growth economy in the Micro, Small and Medium Enterprises sector own role strategic in economy domestic something area especially in rural areas , reflected in the number of business units owned , implementation power high work , and great contribution to income domestic gross .

Micro, Small and Medium Enterprises (MSMEs) also have high resistance in face various crisis previously , although crisis The current Covid-19 pandemic This give external pressure common and has an impact on the MSME sector , especially in Sungai Pauh village Heirloom Subdistrict West Langsa .

However Thus, the resilience of MSMEs is high the during This play a role as bearings economy Because his abilities For survive the period pressure and can grow return more fast and high post-stress. With role strategic of course , MSMEs play a role important in support mix Bank Indonesia's policy to guard stability macroeconomics and sectors finance , at the same time effort national For support transformation economy towards an Advanced Indonesia .

Chart Absorption MSME Growth in 2018-2020



Source: Sungai Pauh Pusaka Village Office, 2023

According to an economics expert, a region or area's economic growth can be measured by adequate infrastructure, public facilities, access to information, and superior human resource quality. If all these elements are met, a region's economic growth can be considered advanced. Growth reveals that income imbalance is an indicator of regional economic growth that can be used as a benchmark for assessing a region's economic growth. Ideally, income imbalance should be 80 percent of total income, and 20 percent of the population's total income, reflecting changes in economic structure and job growth. These changes in economic structure, which are also a benchmark and crucial for national and regional development, are crucial because they contribute the largest amount of foreign exchange. Employment growth is a strategic step that can be taken, including the development of production infrastructure that will encourage increased commodity prices in the agriculture, food, plantation, fisheries, and forestry sectors.





#### **b. Strategy Micro, Small and Medium Enterprises in Sungai Pauh Village Heirloom In Maintain His efforts**

A company in run his business as well as in face competition business should have strategies implemented in companies to be able to survive and compete with businessman others. Besides That with set something strategy companies must also notice factor What only one can set as policy company with Correct .

Strategy Marketing is one of the very thing important in develop business, because with strategy good marketing , then business will easy known by the public, so that increase orders and sales of MSMEs, with many incoming orders will increase productivity and income business , so that development business Can walk with Good .

With existence epidemic the ongoing covid-19 pandemic happen No except impact on the perpetrators businesses in Sungai Pauh Village Heirloom Subdistrict West Langsa . Outbreak This result in occurrence decline in income perpetrator the usual business income of the perpetrators the average business earns per month results sale as big as Rp . 5,000,000 – Rp . 10,000,000, with occurrence pandemic of the perpetrators business only get business as big as Rp . 4,000,000 with profit dirty.

However thus the perpetrators business For maintain his life use strategies implemented like online media promotion marketplace, Instagram , WhatsApp , even there are also those who use endorsement services so that consumers know about it .

#### **c. Steps Taken Langsa City Government In Help Micro, Small and Medium Enterprises in Sungai Pauh Village Heirloom During Covid-19 Pandemic**

Development and growth economy very depends to How action government with support support or popular engagement mature this is what is called with participation public in development economy , because if We see in a way reality that developing countries always face condition or more position difficult compared to for countries that have forward which is often also called modernization .

Trader is the most basic thing For become perpetrator empowered economy competition through reinforcement efforts and improvements supported productivity with effort improvement adaptation to market needs , utilization results innovation and implementation technology . Development to development market traders also participated play a role important government Good center and area, for progress and survival life high - income society from sector trade.

But in reality during the covid-19 pandemic resulted in lethargy the economy of traders at the morning market Aceh Tamiang , the average trader convey complain his complaint income his merchandise . Problems This become something serious work for government For help the economy of traders affected by the Covid-19 pandemic.

From the results interview to informant on to Zulhadisyah and Muhammad Syaifullah can concluded that steps taken by the Langsa City Government in help perpetrator business micro small and medium in the village river far heirloom among other things, providing Help Direct Budgeted cash (BLT) from village funds , there is giving material standard to perpetrator business micro , data giving MSME assistance from government center .



#### 4. CONCLUSION

- a. Economy an area is considered grow If all over sector to use factor production in the year certain more big than the year previously. In other words, the economy it is said experience grow If income real society in the year previously Of course more big than the real income of the community. Growth the economy of the actors businesses in Sungai Pauh Village Heirloom Subdistrict West Langsa , Langsa City with many development perpetrator businesses that have sprung up in the village the impact on the economy public .
- b. Perm salahahan main issues faced by the perpetrators business in the village Pau Heritage River is problem occurrence decline turnover from results his merchandise, things This caused by with occurrence The Covid-19 pandemic is not over yet end. In order to survive life For continuity his life among the traders the do stock supply goods so that if occurrence surge traders ' prices No experience such a loss big so that traders can stable sell goods his merchandise and do various strategy For market the products it owns .
- c. Langsa City Government in help continuity life for the perpetrators MSME businesses in the village river far heirloom with give help direct cash as big as Rp. 2,400,000,-, Rp . 300,000,- from village funds and provide help main material standard business .

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