

Analysis of MSME Business Sustainability in Mojolaban District, Sukoharjo Regency

Mia Aprilia¹, M. Iqbal Taufiqurrahman Sunariya²

¹ *Fakultas Geografi, Universitas Muhammadiyah Surakarta*

² *Fakultas Geografi, Universitas Muhammadiyah Surakarta*

^{*)} Corresponding author: iqbal.t.sunaria@ums.ac.id

Received: 1 September 2022 / Accepted: 11 September 2022 / Published: 20 December 2022

Abstract

Mojolaban sub-district is one of the sub-districts in Sukoharjo which has the highest MSME business compared to other sub-districts, namely 42 types of MSME. MSME has been running for generations for the last 10 years. During the last 10 years, the income level of Mojolaban District has decreased due to weak consumer purchasing power. One of them is the gamelan MSME in Wirun Village which has decreased until it stops producing. The spatial planning strategy needs to be carried out to restore the income of the residents of Mojolaban District, so it is expected to be able to contribute either directly or indirectly to the economy of MSME owners in Mojolaban District. The aims of this study are (1) to find out the distribution pattern of industry in Mojolaban sub-district, (2) to analyze the level of industrial business sustainability in Mojolaban sub-district, (3) to analyze the industrial business sustainability strategy in Mojolaban sub-district. This research method uses a qualitative deductive method using a field survey. The population and the number of samples used are 80 people consisting of tile MSME, brick MSME, fish MSME, and alcohol MSME. Data collection uses primary and secondary data. Primary data consists of surveys and interviews, while secondary data is obtained from government agencies, published journals, the internet, and from existing research. The analytical method used is spatial analysis and quantitative descriptive analysis. The results of this study indicate that the distribution pattern of the tile, brick, and alcohol MSME businesses has a clustered distribution pattern, while the fish MSME business has a random pattern. The level of sustainability of the roof tile MSME business is 56.35%, the brick MSME business continues at 58.3%, and the fish and alcohol MSME business shows 100% continuous. The strategy for the sustainability of the tile MSME business is to improve the quality of production, increase the amount of production and maintain good production quality. The strategy carried out by the alcohol MSME business is to maintain the quality of production. Meanwhile, the fish and brick MSME business strategy is carried out by increasing the number of workers and the quality of production.

Keywords: MSME, SME, Economy, Sustainability, Mojolaban District

1. Introduction

Industry is an important component in a country, including Indonesia, with the development of existing industries that can support the country's economy, faster and better. Industry plays an important role in economic development which is marked by a process of structural change, namely a change in the economic structure of society. The role of the industry can be seen from the large contribution to national income, utilization of natural resources and energy, utilizing human resources to expand employment opportunities and in increasing exports. Rapid industrial development will not only trigger the development of upstream sectors such as agriculture to provide raw materials, it will also trigger the development of service sectors such as financial institutions, marketing, trade, advertising, and transportation (Sulaiman. 2017). The existence of Micro, Small and Medium Enterprises (MSMEs) in Indonesia has strategic potential in spurring local economic development, particularly regarding employment and contribution to national income. According to data from the Ministry of Cooperatives and MSMEs in 2019, the number of MSMEs in Indonesia in 2019 was recorded at 65.46 million units and was able to absorb a workforce of 96.92 percent (119.56 million people) with a contribution to the national gross domestic product of 60.5 percent (9,580 trillion rupiah). The development of MSMEs continues to increase every year with a growth rate of 1.98 percent per year in the period from 20018 to 2019. One of the areas that has an MSME industry is the Mojolaban District. The Mojolaban sub-district has four industries, namely the brick industry, the fish industry, the roof tile industry, and the alcohol industry. The regional economy is determined by the many factors that influence the economic development of a region, one of the factors that determine the economic development of a region is the presence or absence of a center of economic activity, one of the centers of economic activity in a region is industry. The industries in Sukoharjo Regency, Mojolaban District are the tile industry, the brick industry, the fish industry and the alcohol industry. The industry has an influence on the economy of the Mojolaban District. To find out the total number of industrial players in Mojolaban District, it can be seen in the table below.

Table 1. Data on the Number of Industrial Actors in the Mojolaban District

#	Industry	Industry Owner
1.	Fish	5 industries
2.	Brick	12 industries
3.	Roof Tile	16 industries
4.	Alcohol	47 industries
	Total	80 industries

Source: Secondary Data

These four industries have been running for about 10 years from generation to generation, but the economic level of the region has decreased. The income level in Mojolaban District from the data

for the last 5 years from 2016-2020 has decreased in 2020. In addition to the four industries that experienced a decline in income, the gamelan industry in Wirun Village, Mojolaban District experienced a decrease in income and went bankrupt during the Covid-19 pandemic, they stopped producing .

"Almost 70 percent-80 percent of Javanese gamelan production activities have stopped. Because there are no orders that come in during the Covid-19 pandemic. He previously said that there were quite a lot of orders for Javanese gamelan from foreign countries. Most orders for Javanese gamelan come from the Netherlands and Belgium. consumers usually order one set or two sets of Javanese gamelan every month. Increasingly, the craftsmen only rely on local orders from business actors in Bali." Said the Head of Wirun Village, Erry Suseno Wibowo, when speaking with Solopos.com in Mojolaban, Saturday (20/2/2021) "This income is expected to be able to contribute to family income which indirectly affects the production aspect so that there will be an increase. capital used by entrepreneurs, alcohol has an important role which in addition to being a role as a livelihood for the population but also can develop the economy. (RPKPP Sukoharjo Regency Year 2012).

There are problems that are based on the data described above, the researchers are motivated to conduct research with the title "Analysis of MSME Business Sustainability in Mojolaban District, Sukoharjo Regency"

2. Method

The research method used is a qualitative deductive method using a field survey. The field survey method used to obtain data in the field derived from the object of research through interviews, observations, questionnaires and documentation. In this study, the author does not only do in-depth interviews, but also direct interviews and will add several techniques in data collection. Observation using a tool in the form of a questionnaire. The results of the questionnaire are used to determine the characteristics of the data obtained based on the respondents' responses to the object of the research study.

Data processing techniques to determine the pattern of distribution of MSME businesses using field survey methods and layouting on maps. As for the coding method, tabulation method and in-depth interviews to find out and display the form of MSME business sustainability, as well as know the MSME business sustainability strategy in Mojolaban District.

This study uses two analyses, namely, (1) spatial analysis is used to determine the pattern of industrial distribution in Mojolaban District as well as to determine the level of sustainability of each industrial business (2) quantitative descriptive analysis is used in this study in order to analyze the level of sustainability of industrial businesses obtained from the results of this study. tabulation of data which is then classified based on the final value and also the range of values in each class, namely

continuous class, continuous vulnerable class, and discontinuous class, so that it is known how the sustainability of each industry is.

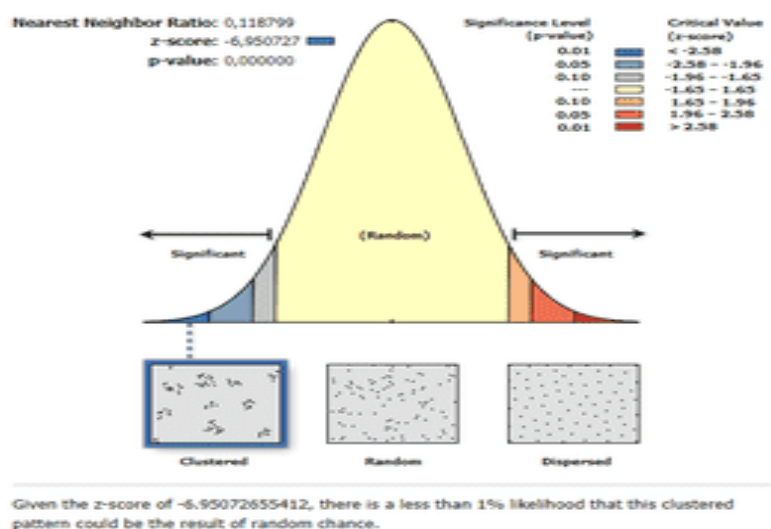
3. Results and Discussion

3.1 The distribution pattern of tile, brick, fish and alcohol MSME businesses

Based on the results from the field in Mojolaban District, Sukoharjo Regency, for processing point maps of the distribution pattern of SMEs, the data taken includes coordinate data or coordinates taken using GPS on a smartphone which is then processed using the ArcGIS application. The following are the field results for the point of tile SMEs, brick SMEs, fish SMEs, and alcohol SMEs in Mojolaban District, Sukoharjo Regency:

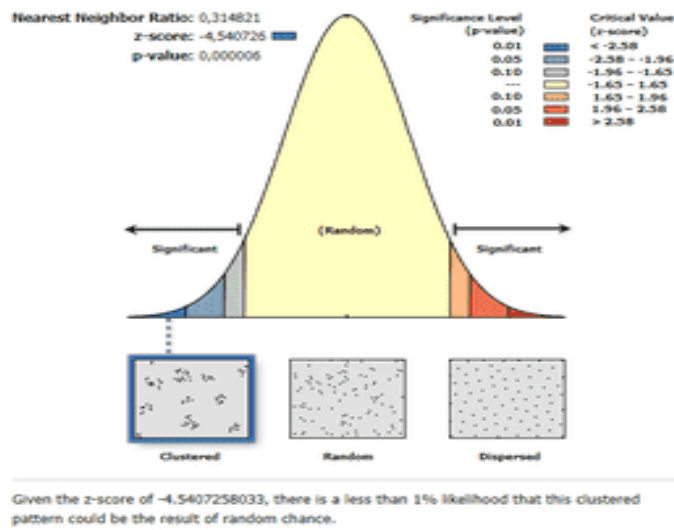
Tile SMEs, brick SMEs, alcohol SMEs:

From the results obtained using the ArcGis application using Nearest Neighbor, the distribution pattern of the Tile MSME industry, Brick MSME, Alcohol MSME which has a clustered distribution pattern is found in Mojolaban District, Sukoharjo Regency. Tile SMEs have a z-score of - 6.950727, Batu-Bata SMEs have a z-score of -4.540726, Alcohol SMEs have a z-score of -4.606198 of the three z-score values, which means they have a spatial pattern. the distribution of which is less than 1% that the spatial pattern has a clustered pattern found in Mojolaban District. The following is a picture of the distribution pattern of Tile SMEs, Brick SMEs, Alcohol SMEs in Mojolaban District, Sukoharjo Regency:



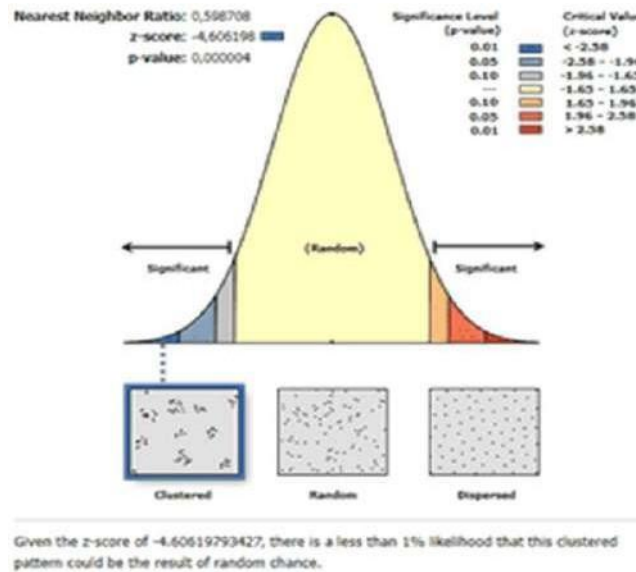
Source : Author, 2021

Figure 1. Distribution Pattern of Tile SMEs in Mojolaban District Sukoharjo Regency



Source : Author, 2021

Figure 2. Distribution pattern of brick-and-mortar SMEs in Mojolaban District, Sukoharjo Regency



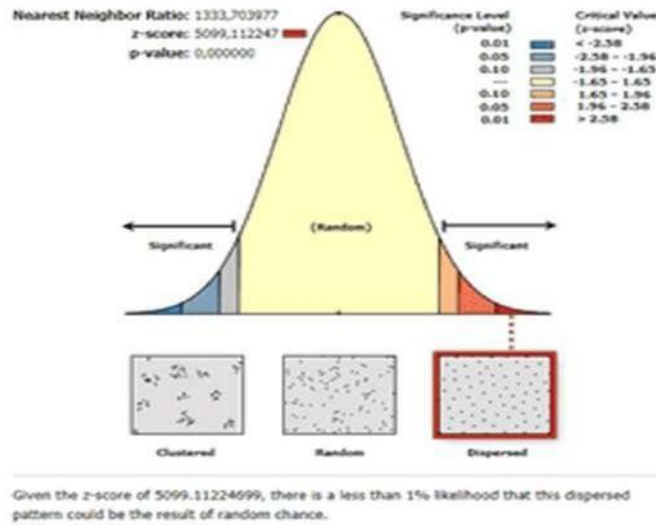
Source : Author, 2021

Figure 3. Distribution pattern of alcohol MSMEs in Mojolaban District, Sukoharjo Regency

The distribution pattern clusters some concentrated points close to each other and there is a large zone containing a few points that seem to have insignificant distances (Briggs, 2007). The existence of a clustered distribution pattern is expected to increase economic development for both the MSME business owner and the surrounding community. This is what is happening in Mojolaban District with the existence of MSME businesses, many MSME business owners employ the surrounding community, by employing the surrounding community, the unemployment rate in the area will decrease.

3.1.1 Fish SME business

For fish SMEs, the results show that the spatial processing pattern has a distributed distribution pattern with a z-score value of 5099.112247 which means it has a value of less than 1%.

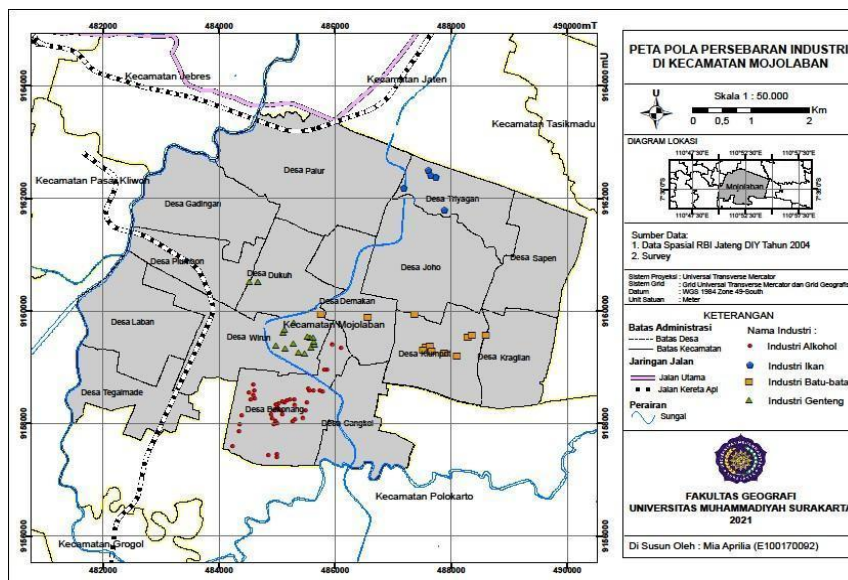


Source : Author, 2021

Figure 4 Distribution Pattern of Alcohol MSMEs in Mojolaban District, Sukoharjo Regency

The random distribution pattern in this area provides more benefits for business actors, because business competitors are not as many as other industries. So that business actors can maximize the quality of their products and develop their marketing sector.

Figure 5 Map of the distribution of MSMEs in Mojolaban District, Sukoharjo Regency in 2021



Source : Author, 2021

3.2 The level of business sustainability of tile SMEs, brick SMEs, fish SMEs, and alcohol SMEs.

Own business sustainability which is defined as the business that will continue to operate or grow in the long term. Some businesses can be found to have business continuity for generations.

3.2.1 Tile SME Business

Table 2. Frequency continues, continues prone, and does not continue the tile MSME business

	Result	Frequency	Percentage(%)
1.	Continue	9	56,25
2.	Prone to continue	7	43,75
3	Not Continuing	0	0
Total		16	100

Source: Author,2021

The continuing level of business classification of tile MSMEs is due to the time before the covid pandemic and during the covid pandemic the amount of income increased, the number of workers increased, working hours increased and the age of workers who were still in their productive age was 15-64 years. The marketing areas of this research are Surakarta, Boyolali, Sragen, Wonogiri, Semarang, and Klaten areas. This marketing uses transportation, trucks.

3.2.2 Brick SME business

Table 3. Frequency of continuing, prone to continuing, and not continuing the brick-and-mortar MSME business

#	Result	Frequency	Percentage(%)
1.	Continue	7	58,3
2.	Prone to continue	5	41,7
3	Not Continuing	0	0
Total		12	100

Source : Author, 2021

There are still several industries that are classified as vulnerable to continuing because the total income from before the pandemic and after the pandemic has decreased, which also causes a decrease in the number of production and the number of workers. This is because differences in production levels produced by business actors will trigger the formation of income gaps, so that the existence of limited access to capital is one of the obstacles in achieving optimal productivity levels (Parinduri, 2016). The marketing areas of this research are Surakarta, Boyolali, Sragen, Wonogiri, Semarang, and Klaten areas. This marketing uses transportation, trucks.

3.2.3 Fish SME Business

Table 4. Frequency continues, continues to be prone to, and does not continue to Fish SME Business

	Result	Frequency	Percentage(%)
1.	Continue	5	100
2.	Prone to continue	0	0
3	Not Continuing	0	0
Total		5	100

Source: Author, 2021

Considering that the Mojolaban District is not a coastal area that produces quite a lot of fish. However, when viewed from the level of sustainability, these five fish businesses have a level of sustainability that is included in the Sustainable class with a total value range of 11-12 with a 100% percentage which can be concluded that the fish businesses spread across the Mojolaban District are 100% sustainable.

3.2.4 Alcohol SME Business

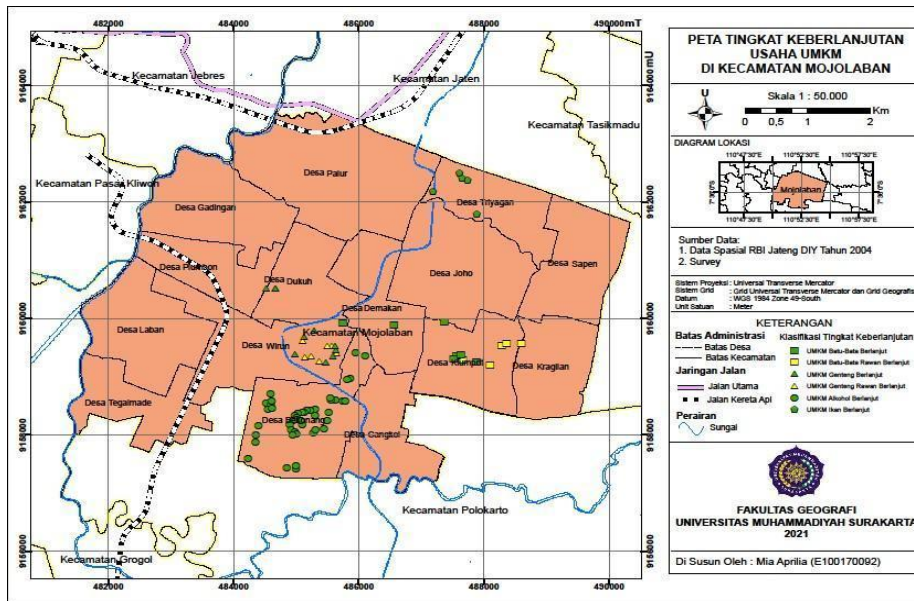
Table 5. Frequency continues, is prone to continue, and does not continue the MSME Alcohol Business

	Result	Frequency	Percentage(%)
1.	Continue	47	100
2.	Prone to continue	0	0
3	Not Continuing	0	0
Total		47	100

Source: Author, 2021

The level of sustainability is influenced by the increase in the number of requests for alcohol production which is used as an important raw material to produce hand sanitizers, surface sanitizers, disinfectants, antiseptics, and the like, considering that during the current pandemic, alcohol is very much needed for the area of marketing this research, which is only in areas Solo Raya and outside Solo Raya areas such as Surakarta, Wonogiri, Sukoharjo, Sragen, Karanganyar areas and for areas outside Solo Raya such as Cilacap, Grobogan, Demak, Semarang, Yogyakarta, Magelang areas for medical needs with a 100 percent increase during the COVID-19 pandemic.

The following figure is a map of the level of business sustainability of MSMEs in Mojolaban District.



Source : Author, 2021

3.3 Strategy for business sustainability of tile MSMEs, brick MSMEs, fish MSMEs, and alcohol MSMEs.

3.3.1 MSME tile business

Table 6. Data Frequency of tile business sustainability strategy in Mojolaban District, Sukoharjo Regency

	Production Strategy	Frequency	Percentage
1.	Improve production quality	5	31,25
2.	Add production or product	6	37,5
3.	Maintaining good production quality	4	25
4.	Delivering well-processed products	1	6,25
Total		16	100
	Workforce Strategy	Frequency	Percentage
1.	Increase working hours and salary	4	25
2.	Adding workforce	3	18,75
3.	Increase working hours	5	31,25
4.	Add workers who come from outside the district Mojolaban	4	25
Total		16	100
	Marketing strategy	Frequency	Percentage
1.	Add marketing through social media	5	31,25
2.	Fixed marketing / don't want to add	3	18,75

3.	Addition of marketing area	8	50
Total		16	100

Source: Author, 2021

The sustainability strategy used in the tile SMEs business in several tile industry players is carried out with a product strategy first, namely by increasing the quality of production, increasing the amount of production and maintaining good production quality. Improving the quality of production in MSMEs is an important thing that is taken into consideration by consumers, as explained by Jahanshahi in 2011, stating that product quality is one of the elements used as consideration by consumers when deciding before making a purchase.

3.3.2 Brick SME business

	Production Strategy	Frequency	Percentage
1.	Improve production quality	6	50
2.	Improve production quality	4	33
3.	Add production or product	2	17
Total		12	100
	Workforce strategy	Frequency	Percentage
1.	Increase the number of workers	1	8,33
2.	Add workers who come from outside the district Mojolaban	3	25
3.	Increase the salary of workers so that they work productively	3	25
4.	Increase working hours	5	41,67
Total		12	100
	Marketing strategy	Frequency	Percentage
1.	Add marketing territories	7	58,33
2.	Add marketing through social media	5	41,67
Total		12	100

Source : Author, 2021

The production strategy carried out by the Brick MSME business actors uses a lot of production quality improvement strategies as well as the Fish MSME. This strategy is widely used by

several industries, this is because product quality is the most important aspect for an industry. Product quality will make a major contribution to customer satisfaction. Improving the quality of brick products is done by improving the brick burning process which can reduce the number of brick cracks after the combustion process takes place.

3.3.3 MSME fish business

Frequency data of fish MSME business sustainability strategy in Mojolaban District, Sukoharjo Regency.

	Production Strategy	Frequency	Percentage
1.	Maintaining production quality by good	3	60
2.	Prioritize product durability	1	20
3.	Delivering well-processed products	1	20
Total		5	100
	Workforce Strategy	Frequency	Percentage
1.	Adding workforce	4	80
2.	Increase working hours and salary	1	20
Total		5	100
	Marketing strategy	Frequency	Percentage
1.	expand marketing	3	60
2.	increase marketing through social media	2	40
Total		5	100

Source : Author,2021

The Fish MSME Business Sustainability Strategy is carried out by prioritizing in terms of maintaining good production quality, considering the analysis of the sustainability level of the Fish MSME Business is included in the continuing class with a 100% Percentage, which shows that indeed maintaining good product quality will definitely affect consumers when making decisions. make a purchase.

3.3.4 Alcohol SME Busines

Frequency data of fish MSME business sustainability strategy in Mojolaban District, Sukoharjo Regency.

	Production Strategy	Frequency	Percentage
1.	Improve production quality	5	10,64

2.	Add production or product	6	12,77
3.	Improve production quality	3	6,38
4.	Maintain product quality	12	25,53
5.	Preservation of raw materials	1	2,13
6.	Provide raw materials for production very good	8	17,02
7.	Improve packaging quality	8	17,02
8.	Considering product durability	4	8,51
Total		47	100
	Workforce Strategy	Frequency	Percentage
1.	Adding workforce	9	19,15
2.	Increase the workforce that comes from outside the district Mojolaban	4	8,51
3.	Increase working hours	8	17,02
4.	Do not add manpower	12	25,53
6.	Give extra salary so that more productive	10	21,28
7.	Increase working hours and salary	4	8,51
Total		47	100
	Marketing strategy	Frequency	Percentage
1.	Fixed marketing area	16	34,04
2.	Expanding the marketing area	16	34,04
3.	More consumers	3	6,38
5.	Marketing is done by using social media	6	12,77
6.	Keep giving the best for consumers	2	4,26

7.	Marketed alone and through intermediaries	4	8,51
Total		47	100,00

Source : Author, 2021

Based on the results of interviews conducted at the MSME Alcohol business in the Mojolaban District, it can be analyzed that the selection of production strategies in some business actors uses more strategies to maintain production quality. Because according to some respondents product quality is used as an element of the overall assessment of a product. So they prefer to maintain the quality of production. Maintaining the quality of this product is the most effective strategy to retain consumers and also the business they are running. This strategy is carried out because it is more able to carry out business so that it is more advanced and is considered good by consumers. This is in accordance with the statement that quality can be felt as a form of consumer assessment of the advantages or features of a product as a whole (Zeithaml, 1988).

4. Conclusion

There are four types of MSME businesses in Mojolaban District, namely tile MSMEs, fish MSMEs, alcohol MSMEs, and brick MSMEs. The tile MSME business, the alcohol MSME business, and the brick MSME business have a clustered distribution pattern. Meanwhile, fish SMEs have a random distribution pattern.

The level of sustainability of each MSME business in Mojolaban District is different. The level of sustainability of the tile MSME business of 56.35% continues, the brick MSME business continues at 58.3%, and the fish and alcohol MSME business shows 100% continuous.

The strategy for the sustainability of the tile MSME business is to improve the quality of production, increase the amount of production and maintain good production quality. The strategy carried out by the alcohol MSME business is to maintain the quality of production. Meanwhile, the fish and brick MSME business strategy is carried out by increasing the number of workers and the quality of production.

References

- Indarti, N. *Rendah, Adopsi Teknologi Informasi oleh UKM di Indonesia*. Pusat Informasi Perkoperasian: Dewan Koperasi Indonesia, 2007.
- Indra. «Peta Rencana (ROADMAP) Riset Enterprise Resource Planning (ERP) Dengan Fokus Riset Pada Usaha Kecil Dan Menengah (UMK) Di Indonesia.» *Journal of Information System* (2010): 140-145.

- Juhadi, Siti Rohana. *Sistem Pewarisan dan Keberlanjutan Pengelolaan Usaha Tambak Garam Studi pada Petani Garam di Desa Genengmulyo, Juwano, Pati, Jawa Tengah*. Yogyakarta: (Disertasi) Universitas Gadjah Mada, 2013.
- Kartasapoetra, A.G. *Klimatologi Pengaruh Iklim Terhadap Tanah dan Tanaman*. Jakarta: PT. Bumi Aksara, 2004.
- Kusnaendi. *Model-model Persamaan Struktural*. Bandung: Alfabeta, 2008.
- Scott, J.T. *The Sustainable Business 2nd Edition*. UK: Greenleaf Publishing Limited, 2013.
- Undang-Undang No.5 Tahun 1984 Tentang Perindustrian.
- Undang-Undang No. 20 Tahun 2008 Tentang UMKM.
- Zeithaml, Arviana Wulandari. «Pengaruh Harga, Promosi, dan Kualitas Terhadap Keputusan Pembelian Produk Alkohol One Med di Jakarta.» (1988).



© 2022 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC-BY) license (<http://creativecommons.org/licenses/by/4.0/>).