Research Article

The Role of MSMEs, Infrastructure and Cooperatives on DKI Jakarta Economic Growth

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ABSTRACT

MSMEs, infrastructure and cooperatives were the determining factors for economic growth. Good and stable economic growth would have an impact on people’s welfare. Economic growth was a process not an economic picture at a dynamic time of an economy. This study aimed to describe the influence of MSMEs on economic growth, describe the influence of infrastructure on economic growth, describe the effect of cooperatives on economic growth and described MSMEs, Infrastructure and cooperatives on the economic growth of DKI Jakarta. The method used is a quantitative method. The data was taken from the national statistical center for the period 2015, 2016, 2017, 2018 and 2019. The data was processed using SPSS 21. Prerequisite tests include normality test, homogeneity test and heteroscedasticity test. Hypothesis testing includes t test, F test and coefficient of determination. The results showed that MSMEs had an effect on economic growth, Infrastructure had an effect on economic growth, cooperatives had an effect on economic growth and MSMEs, Infrastructure, cooperatives had a simultaneous effect on economic growth in DKI. The implication of the result was Expansion of job opportunities and employment. Formation of Gross Domestic Product (GDP). Provision of safety nets, especially for low-income people to carry out productive economic activities.

Keywords: cooperatives, economic growth, infrastructure, MSMEs

Introduction

Economic growth is one of the parameters for the development of economic activity at a certain time. In other words, economic growth refers to changes that are quantitative in nature. It is usually measured using Gross Domestic Product (GDP) data. Economic growth and economic development have slightly different meanings even though they both describe development. Economic growth is briefly defined as the process of increasing output per capita in the long term. High and sustainable economic growth is the main requirement for sustainable economic growth. In line with the
increase in population growth, which means economic needs also increase, additional income is needed. Economic growth is a process not an economic picture at a dynamic time of an economy, namely seeing how the economy develops or changes from time to time. Economic growth is related to the increase in output per capita, output per capita is the total increase divided by the total population (Boediono, 2011:1). So far, economic growth has been used as a benchmark in assessing the success of economic development (Jhinghan, M, l2018, p.5).

National economic growth in 2019 was 5.02 percent, slowing 0.15 percent from growth in 2018 which reached 5.17 percent. Based on the expenditure component, the highest economic growth in 2019 was achieved by the Consumption component of Household Non-Profit Institutions (LNPR) of 10.62 percent, followed by Household Consumption at 5.04 percent; while in third place is the PMT component of 4.45 percent. Based on business fields, the highest economic growth in 2019 was achieved by Other Services Business Fields (R, S, T, U) of 10.55 percent. This achievement was followed by Corporate Services (M, N) which reached 10.25 percent and Information and Communication Business Field (J) by 9.41 percent.

Taking into account the latest economic conditions, as well as global and national economic prospects and challenges, the economic growth of DKI Jakarta in 2019 is predicted to be relatively stable compared to 2018. Economic growth is predicted to be in the range of 6.0% - 6.4% driven by consumption and net exports between regions, amid a slowdown in investment (PMTB) and foreign exports. Meanwhile, investment growth (PMTB) will still be driven by the construction of various infrastructures, although not as strong as the previous year, due to less construction activities being carried out. Export performance is predicted to slow, however exports of motor vehicles are predicted to remain under control due to the ease of export from the government. Although stable growth is predicted, Jakarta’s economic growth in 2019 is still overshadowed by risks, particularly those stemming from global economic dynamics.

Starting 2019, the economy of DKI Jakarta continues to grow high. The realization of economic growth which reached 6.23% indicates that the capital’s economic growth momentum is maintained. The achievement of economic growth in the first quarter of 2019 was also higher than the average growth for the same period in the previous three years, as well as national growth. The sustained momentum for economic growth was also supported by inflation which remained stable at a low level of 3.01%.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
<th>up / down (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>4.88</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>5.03</td>
<td>0.15 (up)</td>
</tr>
<tr>
<td>2017</td>
<td>5.07</td>
<td>0.04 (up)</td>
</tr>
<tr>
<td>2018</td>
<td>5.17</td>
<td>0.10 (up)</td>
</tr>
<tr>
<td>2019</td>
<td>5.02</td>
<td>0.15 (down)</td>
</tr>
</tbody>
</table>

The economic performance of DKI Jakarta Province is still continuing the upward trend. Economy. The economy of DKI Jakarta Province was able to grow by 6.23% (yoy) in the fourth quarter of 2019, higher than the growth in the third quarter of 2019 which was 5.89% (yoy). The achievement of this economic growth is also seen to be higher than the national economic growth of 5% (yoy). In terms of usage, the increase in economic growth in the fourth quarter of 2019 was supported by increased household consumption and increased investment.

The pattern of changes in the economic structure can be seen from other indicators, namely the distribution of employment opportunities by sector (Tambunan, 2012,h, 12). In the 2010 – 2019 period, the trade, hotel and
restaurant sectors, although their contribution to the economy is relatively low compared to other main sectors, but the ability to absorb labor is relatively higher than other sectors, namely 25.62 percent.

Based on the description above, questions can be asked in this study, namely: How is the influence of MSMEs on economic growth, how is the influence of infrastructure on economic growth, how is the effect of cooperatives on economic growth and how MSMEs, Infrastructure and cooperatives affect the economic growth of DKI Jakarta.

This study aims to describe the influence of MSMEs on economic growth, describe the influence of infrastructure on economic growth, describe the effect of cooperatives on economic growth and describe MSMEs, Infrastructure and cooperatives on the economic growth of DKI Jakarta.

**MSME**

MSMEs are in great demand by the Indonesian people as a breakthrough for improving the economy that can reduce the unemploy-ment rate so that in the end poverty is reduced and national economic growth can increase by measuring the increase in Gross Domestic Product and Gross Regional Domestic Product. MSMEs. The soaring population growth of a country accompanied by an increase in the workforce can cause complex problems which must be resolved immediately. If this is not resolved then there will be unemployment to poverty. This is due to the non-functioning of a good order system in all sectors of community life and the uneven distribution of development in all fields. Even the existence of the formal sector is not able to fulfill and absorb the labor force that continues to increase to the maximum which may be due to the imbalance between the growth of the labor force that is growing rapidly and available employment so that unemployment arises, such as micro, small and medium enterprises (MSMEs).

**Infrastructure**

National development cannot be separated from infrastructure development. The government's ongoing infrastructure development is expected to have a positive impact on Indonesia's economic growth. Increased investment and increased foreign exchange through tourism are increasingly wide open with improvements and support for the development of the physical infrastructure of a region. The development of resilient infrastructure is one of the goals of the SDGs, more precisely the ninth goal. This further strengthens the importance of infrastructure in national development. Over the past five years, infrastructure budget disbursement has always increased. Citing data from the Ministry of Finance, the government recorded a budget of Rp. 256.1 trillion in 2015. This number is said to have increased by 65.5 percent from 2014. Then, in 2016, the infrastructure budget disbursed grew 5.1 percent to Rp. 269,1 trillion. This figure changed again, and jumped 44.3 percent to IDR 388.3 trillion in 2017 and to IDR 410.7 trillion in 2018.

**Cooperative**

The development of cooperatives in the dimension of national development based on a people's economic system is not only aimed at reducing the problem of income inequality between groups and between behaviors or employment, but more than that. The development of cooperatives is expected to be able to expand the economic base and can contribute to accelerating changes in the structure of the national economy by increasing the regional economy.

The growth of cooperatives in various sectors should be able to implement and develop initiatives from all relevant parties, especially those concerning aspects of investment creation and a conducive business climate, harmonious cooperation and synergy between government, business and society at the central, provincial and district/city levels. city. Given the role of cooperatives that can survive the economic crisis, so that the initiatives of various related parties are expected to continue to increase the role of cooperatives in realizing a people's economy.

Along with this phenomenon, there is a perception that the main problem faced by small industries and cooperatives is the problem of capital. But then there is hope for cooperatives with the issuance of Bank Indonesia Regulation
Economic growth

In general, economic growth is measured by changes or increases in Gross Domestic Product (GDP), namely the total value of goods and services produced by the economy in one year. According to Tambunan (2012. p. 54) stated that GDP is measured through three approaches, namely the production approach, the income approach and the expenditure approach. The production and income approach is a calculation of GDP seen from the aggregate supply, while the expenditure approach is a calculation of GDP from aggregate demand. GDP with the production approach is the total value of output/value (NO) of all economic sectors or business fields. In Indonesia, according to BPS, the national economy is generally grouped into nine sectors, including the agricultural sector, animal husbandry, forestry and fisheries: mining and quarrying sector: manufacturing industry sector: electricity, gas and clean water sector; construction sector; trade sector, hotel and restaurant sector: transportation and communication sector, financial sector, leasing and company services sector: and services sector.

Methods

In this research, what is meant by population is all research variable data i.e. all research variable data related to UMKM, infrastructure, cooperatives and economic growth in DKI Jakarta.

The sampling technique used by the author is non-probability sampling. According to Sugiyono (2010, iilim. 120) non-probability sampling is i.an technique of sampling which gives the same opportunity/opportunity for each element or member of population to be selected. This sampling technique includes, systematic sampling, quota, accidental, purposive, saturated, snowball sampling The non-probability sampling technique used in this sampling technique is this purposive sampling technique.

Meanwhile, the sample used in this research is data (time series) for 5 years in 65 areas of the DKI Jakarta province. Thus, the number of samples used in this research is 30 samples.

The data that is used in this research, if viewed from its nature, it is quantitative data, that is, data that is in the form of numbers and
can be measured. The National Bureau of Statistics used in this research is secondary data, namely data in the form of reports that have been compiled and published by relevant parties, namely from BPS, BI, NaSpeda, Nasindo DKI Province Jakarta in various editions as well as various other relevant sources such as journals, dissertations, internet, my mother and the results of other research related to the research carried out.

In this study, the data were processed with SPSS 21. The classical test was carried out with normality, heteroscedasticity and homogeneity tests. After that, several hypothesis tests were carried out such as:

a) Coefficient of Determination Test \( R^2 \). The coefficient of determination \( R^2 \) is basically to find out how much influence the independent variable \( X \) has on the dependent variable \( Y \). The value of \( R^2 \) ranges from 0 to 1, if \( R^2 = 0 \) means that there is no relationship between the independent variable and the dependent variable, if \( R^2 = 1 \) means that the independent variable has a perfect relationship to the dependent variable.

b) F Statistical Test. The F statistical test basically shows whether there is a joint influence between the dependent variable \( Y \) and the independent variable \( X \), namely the effect of the return on assets variable. After that, do the t-test.

c) The t-test basically shows whether there is a significant partial effect between the dependent variable \( Y \) and the independent variable \( X \).

Related to this research, the research variables are classified as follows:

1. Variable Independent. The independent variables in this research are UMKM (\( X_1 \)), Infrastructure (\( X_2 \)) and Cooperative (\( X_3 \)).

2. Variable Dependent. The dependent variable in this research is Economic Growth (\( Y \)).

**Result and Discussion**

Based on data that has been taken from various sources, especially the Central Statistics Agency of Indonesia, through the official website for the province of Jakarta in 6 administrative city areas. The data is tested first through several tests, as follows:

a) Data Normality Test. Regression requirements are good if the research data follow a normal distribution. Based on the data normality test, the hypothesis test which states that the data distribution in this regression analysis follows a normal distribution. This is indicated by all the Asymp values. Sig. > 0.05. This means that all data are normally distributed.

b) Multicollinearity Test. The multicollinearity test aims to test whether the regression model found a perfect correlation between the independent (independent) variables. A good regression model should not have a perfect correlation between the independent variables. One way to detect multicollinearity is to look at the tolerance or variance inflation factor (VIF).
If tolerance < 0.1 or VIF value > 10 then multicollinearity occurs. The results of the multicollinearity test show that the results of all Tolerance values > 0.1 or all variance inflation factor (VIF) values < 10. So it can be stated that there is no multicollinearity between MSMEs (X1), Infrastructure (X2) and Cooperative (X3) and Economic Growth (Y).

c) Heteroscedasticity Test. The definition of heteroscedasticity is if the observed error or residual does not have a constant variance. Heteroscedasticity conditions often occur in cross-section data, or data taken from several respondents at a certain time. One method to detect the presence of heteroscedasticity is to create a scatter-plot between the standardized residual (ZRESID) and the standardized predicted value (Y hat). From the results of the scatter-plot heteroscedasticity test, it shows that the points spread randomly and do not form a certain clear pattern, and are spread above and below the number 0 on the Y axis.

Multiple Correlation Coefficient Test Calculation Results

The data that has been collected is tested for assumptions, with normality and multicollinearity tests. If the data has met the normality and multicollinearity tests, then the data will be processed, to determine the relationship between each variable.

The results of the normality and multicollinearity of the data are as follows: Regression requirements are good if the research data follows a normal distribution. Based on the normality test of the data, the hypothesis test which states that the distribution of the data in this regression analysis follows the normal distribution. This is indicated by all the Asymp values. Sig. > 0.05. This means that all data are normally distributed.

The multicollinearity test aims to test whether the regression model found a perfect correlation between the independent (independent) variables. A good regression model should not have a correlation perfect among the independent variables. One way to detect multicollinearity is to look at the tolerance or variance inflation factor (VIF). If tolerance < 0.1 or VIF value > 10, multicollinearity occurs.

The results of the multicollinearity test show that the results of all Tolerance values > 0.1 or all variance inflation factor (VIF) values < 10. So it can be stated that there is no multicollinearity between the independent variables of parents' education level, parental attention, and interest in learning in regression analysis this double.

Variables X1, X2, X3 against Y

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<tr>
<th>Model Summary</th>
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<td>Model</td>
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<tr>
<td>1</td>
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In the table above, the R square value is 0.430. The influence of MSMEs, Infrastructure, and cooperatives simultaneously on economic growth is 43%, the rest is influenced by other variables by 57%.

<table>
<thead>
<tr>
<th>Coefficient Regression Variable X1, X2, X3 to Y</th>
</tr>
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<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td>1 Regressions</td>
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<tr>
<td>Residual</td>
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<td>Total</td>
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In the table above, the value of Sig is 0.000, which means that the independent variable has an influence on the dependent variable.
From the table above, the Sig values for variables X1, X2, X3 each amount to 0.001, 0.007, 0.001 < 0.005, which means that all independent variables affect variable Y. The variables of SMEs, Infrastructure and Cooperatives each have an effect on economic growth.

The UMKM variable, which is one of the components in this research, can affect economic growth in DKI Jakarta. MSMEs are businesses or business industry players that are being intensified by the government. MSMEs have a special place in government programs during the Jokowi administration. MSMEs receive special attention from local and central governments. MSMEs received several stimuli in special programs. MSME support with a budget allocation of Rp. 96.21 trillion that can be utilized by MSMEs, including Interest Subsidies (KUR and Non KUR), Government Fund Placement at Partner Commercial Banks to support. The real form of the government through the economy is in the form of support for MSMEs, so that MSME production is not only marketed in the local market but also penetrates into the wider market (Putra, A. H. (2016).

Meanwhile, Marlinah (2016) stated that MSMEs are one of the factors in the national economic recovery. MSMEs are a determining factor for economic growth, so serious handling is needed in the MSME sector, tax incentive support is the right way to increase MSME capacity. The government is trying to overcome these impacts to save the sustainability of MSMEs. These include support priority policies, credit restructuring, working capital loans, digitizing MSMEs, tax incentives, and social assistance (Masrufroh, I., Andrean, R., & Arifah, F., 2021).

The MSME variable, which is one of the components in this research, can affect economic growth in DKI Jakarta. MSMEs are businesses or business industry players that are being intensified by the government. MSMEs have a special place in government programs during the Jokowi administration. MSMEs receive special attention from local and central governments. MSMEs received several stimuli in special programs. MSME support with a budget allocation of Rp. 96.21 trillion which can be utilized by MSMEs includes Interest Subsidies (KUR and Non KUR), Government Funds Placement at Partner Commercial Banksto support the expansion of working capital loans and restructuring. The real form of the government through the economy is in the form of support for MSMEs, so that MSME production is not only marketed in the local market but also penetrates the wider market.

Likewise with infrastructure that affects economic growth. Infrastructure is an activity that supports economic growth. The central government prioritizes infrastructure development in various regions throughout Indonesia. Sukwika, T. (2018) states that the gap in economic growth can be reduced by accelerating infrastructure development in the regions, thereby reducing the economic gap. The development of the state capital in Kalimantan, is a form of infrastructure development to the regions. So that economic equality is more likely to be carried out. New infrastructure investments can be a springboard for innovation, energy efficiency, sustained competitiveness, and broader prosperity (NASDAQ OMX’s Report, 2021, Jul 14).

Cooperatives are businesses based on the principle of gotong royong to achieve common goals, such as welfare and economic improvement. becomes important in carrying out cooperative activities, the spirit of economic and financial development is developed (Saputra, I., & Saoqillah, A., 2017). Cooperatives are able to support a more advanced economy. At the level of justice and equality of status, cooperatives can strengthen all members, which in turn can improve the economy and economic growth (Ramadani, A., 2022).

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References


