

## The Influence of MSMEs on Economic Growth in Jayapura City

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### ABSTRACT

The research was conducted in Jayapura City by utilizing quantitative methods. In this study using time series data. Time series data is data that is organized based on the time sequence of events. The time series data includes all MSMEs in 21 sub-districts registered at the Jayapura City Office of Cooperative Trade and Micro Business during 2015-2022. The results showed that the growth of MSMEs in Jayapura City played an important role in the economic growth of Jayapura district / city by increasing the Gross Regional Domestic Product (GRDP). The effect of MSMEs on economic growth, showing the results of the tcount value of the variable number of MSMEs on GRDP of -8.9259 with a probability value of 0.000. Because the probability value is smaller than 0.05, it can be concluded that the growth in the number of MSMEs is significant in influencing the growth of GRDP in Jayapura city. The negative regression coefficient shows that the growth in the number of MSMEs is inversely proportional to the growth of GRDP in Jayapura city. When the number of MSMEs has decreased since 2021, the GRDP of Jayapura city has actually continued to increase.

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## INTRODUCTION

It should be recognized that one of the economic forces or supporters of the Indonesian economy is Micro, Small and Medium Enterprises (MSMEs). This is because the presence of MSMEs is believed to be able to absorb more than 90% of the workforce (Rohimah, in Renyaan, 2022). Economic growth is closely related to the role of MSMEs, with the number reaching 99% of all business units. The contribution of MSMEs to GDP also reaches 60.5%, and to employment is 96.9% of the total national employment. The MSME sector, which is proven to be able to absorb a large workforce, is also a solution to reduce unemployment. Even MSMEs after the economic crisis continued to increase from year to year, this then proved that MSMEs were able to survive the economic crisis (Sarfiah et al., 2019).

As a pillar of the national economy, the Micro, Small and Medium Enterprises sector plays a role in income distribution and socio-economic platforms for the community, and of course as a platform for absorbing labor (Budiarto et al., 2018). Apart from playing a role in economic growth and employment, MSMEs also play a role in distributing development results (Putra, 2016). As a pillar of the people's economy, in developing MSMEs, various policies have been carried out by the Indonesian government (Budiarto et al., 2018). For example, the government provides business licenses for business actors to carry out certain business activities, business development through providing facilities, guidance, assistance, assistance to grow and improve business capabilities and competitiveness, coordination and control from the government (Anggraeni et al., 2021).

Micro, Small and Medium Enterprises (MSMEs) are a neighborhood financial force that can no longer be underestimated. The presence of MSMEs today can maintain a very large number of workers, open up business potential, reduce unemployment, and can understand the distribution of government assistance evenly. Even according to Wahyuni et al, in Anggraini and Nasution (2013) Micro, small and medium enterprises have become an interesting issue to be observed and addressed. This is because there are several reasons, among others: During the crisis, the MSME sector can survive until now, the government's attention to the MSME sector is still lacking, the MSME sector, which is quite large in number, has great potential in absorbing labor, and the MSME sector has an important role and its contribution is quite large in the structure of the national economy. Therefore, this positive trend needs to be maintained so that the MSME sector on a large scale can overcome the problem of unemployment in Indonesia, especially Jayapura City.

It is a fact that MSMEs have better resilience to crisis despite their low productivity. This is because the organizational structure and workforce of MSMEs are more flexible in adjusting to market changes. This resilience and flexibility make MSMEs the main source of livelihood for most people. Based on the level of productivity and the need to increase the population of MSMEs, the development of MSMEs in improving microenterprise productivity should receive more attention. Increased microenterprise capacity is expected to: increase community income and reduce poverty (Hamsah and Agustien, 2018).

Micro, Small and Medium Enterprises (MSMEs) in Indonesia still face various problems, which can lead to helplessness both in the areas where they operate and around the world. The main problems being faced are related to the structure and limited access to government in relation to licensing, as well as associations, as well as high levels of liability. In relation to empowerment and accelerating monetary development, which is considered to be a very important task for Micro, Small and Medium Enterprises (MSMEs). Thus, there is actually an imbalance between the commitment of MSMEs in preparing jobs and the commitment in developing added value.

Seeing the above phenomenon, the author wants to conduct research with the title "The Influence of Micro, Small and Medium Enterprises (MSMEs) Growth on Economic Growth in Jayapura City." With the research objectives, namely to determine the development of MSMEs and the development of economic growth in Jayapura City and to determine the effect of MSMEs development on economic growth in Jayapura City, Papua Province.

## **THEORETICAL REVIEW**

### ***Micro, Small and Medium Enterprises (MSMEs)***

MSME stands for Micro, Small, and Medium Enterprises. Basically, MSME is the meaning of a business or business conducted by individuals, groups, small business entities, or households. Indonesia as a developing country makes MSMEs the main foundation of the community's economic sector, this is done to encourage the ability of independence in developing in society, especially in the economic sector (Kurniasih, n.d). Departing from this understanding, Micro, Small and Medium Enterprises (MSMEs) can be concluded as economic businesses carried out by the lower middle class (Utami and Gischa, 2021).

According to Law No. 20/2008 on Micro, Small, and Medium Enterprises (MSMEs) are;

1. Micro Enterprises, namely productive businesses owned by individuals or individual-owned business entities that meet the criteria, namely:
  - a. Having a net worth of at most Rp.50,000,000 (fifty million rupiah) excluding the land and building of the business premises
  - b. Has an annual sales revenue of at most Rp. 300,000,000 (three hundred million rupiah)
2. Small Business can be interpreted as a productive and stand-alone economic business, this business is carried out by an individual or a business entity that is not a subsidiary or branch of a company that is owned, controlled, or not part of either directly or indirectly from a medium or large business with certain criteria.
3. The type of Medium Business is a productive economic business that stands alone, this business is carried out by an individual or business entity that is not part of a subsidiary or is not a branch of a company that is owned, controlled, or is part of either directly or indirectly with a small business or large business that has certain criteria.

### ***Economic growth***

According to Todaro and Smith (2003), economic growth is a process of increasing output over time, this is an important indicator in order to measure success in carrying out development in a country. The welfare and progress of a country is determined by the amount of growth that can be indicated by changes in national output. With the change of output in the economy, it becomes an economic analysis in the short term, as stated by Ma'ruf and Wihastuti, (2008). Borrowing the opinion of Kuznets (cited by Ma'ruf and Wihastuti, 2008), said that economic growth is an increase in capacity in a country that is long-term in order to provide various economic goods to the community. This increase in capacity can occur due to technological, ideological and institutional advances, or adjustments to the various demands of the existing situation.

Referring to Muana Nanga (2001), it is said that one measure of a country's economic development and growth can be seen from its national income. A frequently used measure of national income is Gross Domestic Product. Gross Domestic Product (GDP) is defined as the total value or market prices of all final goods and services produced by an economy during a certain period of time (usually 1 year). So Gross Domestic Product is an important indicator of economic conditions in a country. If the Gross Domestic Product has shown an increase, it can be said that the country's economy is getting better than the previous year (Hapsari et al., 2014).

Quoting H. Ardiansyah (2020), it is said that economic growth is a process of development in economic activities that can cause goods produced in society to increase. Borrowing the opinion of Salim et al. (2021) who say that in a country, economic growth is one of the focuses that should be achieved annually. Thus, the level of economic growth in a country will be used as one of the benchmarks in seeing success. In this context, it is also one of the focuses in Indonesia. Referring to M. Suparko and Maria R. Suparko (in Angelina et al., 2023), measuring economic growth can be done through several tools, as follows:

- a. First, Gross Domestic Product (GDP) is the sum of final goods and services that have been produced in market prices. The weakness of GDP as a measure of economic growth is that it is global and does not provide a reflection of the welfare of the population.
- b. Second, GDP Per Capita Income is a measure that is considered more appropriate because it takes into account the size of the population. Therefore, the size of per capita income can be found by dividing GDP by population.
- c. Third, Income Per Hour Worked in a country can be said to be more developed if then a comparison is made with other countries if the level of income owned or wages per hour worked is higher if a comparison is made with wages per hour worked in other countries, this applies to the same type of work found by dividing GDP by population.

## METHODOLOGY

The process of conducting research requires a methodology (Ohoiwutun and Ilham, 2023; Ohoiwutun and Kaunang, 2024), this aims to achieve research results or answer the research questions posed (Tokang and Yumame, 2023; Wambrauw, 2023). Of course, the method used must be in line with the subject matter being researched (Ilham et al., 2020). Therefore, in research using quantitative methods.

This research uses time series data. Time series data is data that is organized based on the time sequence of events. Time series data includes all MSMEs in 21 districts registered at the Jayapura City Cooperative and Micro Business Trade Office during 2015 - 2022 Data analysis in this study uses the Eviews version 13.0 software application.

## RESULTS

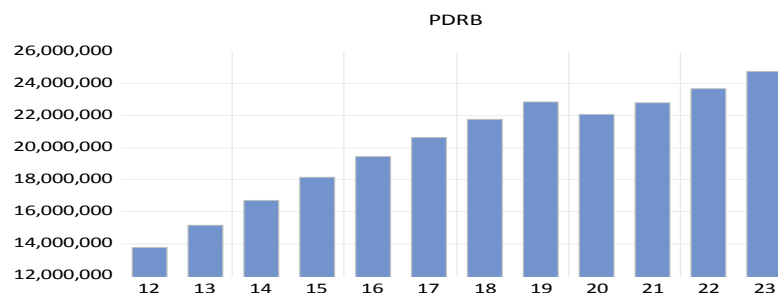
### *Descriptive Analysis*

The section presents a description of each research variable, namely the number of MSMEs as the independent variable, gross regional domestic product as the dependent variable and population as the control variable.

**Table 1**  
**Descriptive Statistics of Research Variables**

|                  | GRDP      | POPULATI<br>ON | MSMEs    |
|------------------|-----------|----------------|----------|
| <b>Mean</b>      | 20172334  | 325770.7       | 1910.333 |
| <b>Median</b>    | 21215615  | 295732.5       | 1561.500 |
| <b>Maximum</b>   | 24775400  | 417611.0       | 6593.000 |
| <b>Minimum</b>   | 13772288  | 272544.0       | 545.0000 |
| <b>Std. Dev.</b> | 3521400.  | 61386.58       | 1586.173 |
| <b>Skewness</b>  | -0.527894 | 0.652706       | 2.299817 |
| <b>Kurtosis</b>  | 2.044857  | 1.541702       | 7.651002 |

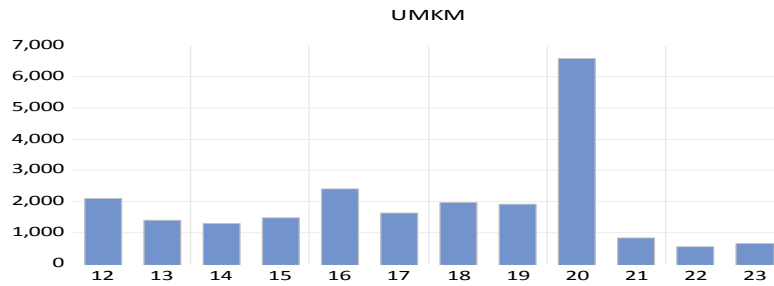
### 1. Gross Regional Domestic Product



**Figure 1 Graph of Development of GRDP of Jayapura City for the Period 2012-2023**

In Figure 1, it can be seen that the GRDP of Jayapura city shows an increasing trend during the 2012-2023 period. However, in 2020 the GRDP of Jayapura city experienced a decline, but this condition did not last long because in 2021 the GRDP of Jayapura city rose again.

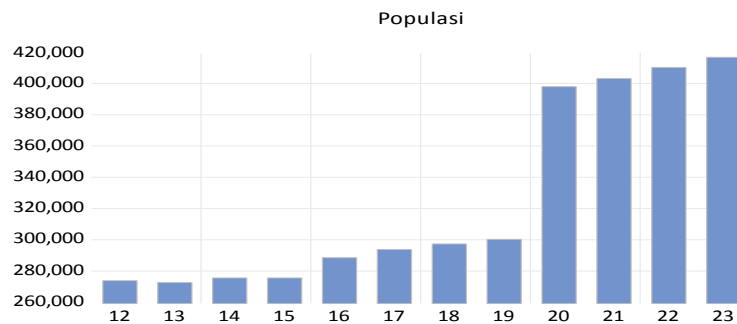
2. Total of MSMEs



**Figure 2. Graph of the Development of the Number of MSMEs in Jayapura City for the Period 2012-2023**

Figure 2 shows that the number of MSMEs in Jayapura city tends to fluctuate during the period 2012-2023. In the period 2012-2019, the number of MSMEs in Jayapura city fluctuated in the range of 1000 to 3000. However, in 2020 the number of MSMEs in Jayapura city jumped dramatically to almost 7000, then from 2021 to 2023 the number of MSMEs in Jayapura city decreased dramatically to less than 1000 MSMEs.

3. Total Population



**Figure 3 Graph of Population Growth in Jayapura City for the Period 2012-2023**

In Figure 3, it can be seen that the population of Jayapura city continues to increase every year during the period 2012-2023. In 2020 the population of Jayapura city jumped dramatically to almost 400 thousand, which previously in 2019 was only a little more than 300 thousand.

**Regression Analysis**

In this section, the effect of the number of MSMEs as an independent variable on the gross regional domestic product of Jayapura city will be tested. The data is processed by time series regression analysis with the help of Eviews 13 software. Because the data is in large nominal form, the natural logarithm transformation of the data is carried out with the following regression model:

$$\text{Ln GRDP}_t = \alpha + \beta_1 \text{Ln MSMEs}_t + \beta_2 \text{Ln Population}_t + u_t$$

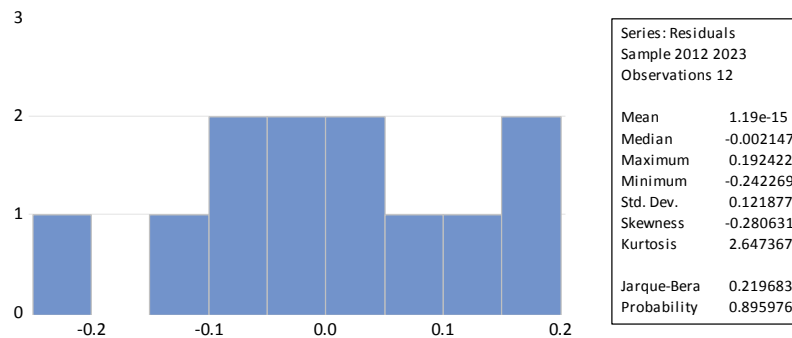
Models with natural logarithm transformations for all variables are called log-linear models (Gujarati & Porter, 2009;159). The regression coefficient ( $\beta$ ) can be interpreted as elasticity (percentage growth rate).

1. *Classical Assumption Test*

Estimation of the log-linear model also uses ordinary least square, which still requires classical assumption testing like regression analysis in general.

a. Normality Test

The assumption of normality is a very important requirement in testing the meaningfulness (significance) of the regression coefficient. In this study, the Jarque Berra test was used (Gujarati & Porter, 2009: 131) to test the normality of the regression model.



**Figure 4. Model Normality Assumption Test Results**

In Fig. 4, it can be seen that if the probability value obtained from the Jarque-Bera test results; residual data is 0.896 and greater than the 5% error rate (0.05), it can be concluded that the regression model has or is normally distributed.

b. Multicollinearity Test

Multicollinearity testing which means having a strong relationship between all or some of the independent variables in the regression model. So, if multicollinearity occurs, then the regression coefficient becomes erratic, and has a very large error rate, this is usually characterized by a very large coefficient of determination, but in the tests carried out partially there is no significant regression coefficient. Therefore, in the research conducted, the variance inflation factors (VIF) value is used as an indicator of the presence or absence of multicollinearity between independent variables.

**Table 2. Multicollinearity Assumption Testing Results**

**Variance Inflation Factors**

Date: 07/ 8/24 Time: 15:45

Sample: 2012 2023

Included observations: 12

| Variable | Coefficient Variance | Uncentered VIF | Centered VIF |
|----------|----------------------|----------------|--------------|
|          |                      |                |              |

|                      |          |          |          |
|----------------------|----------|----------|----------|
| C                    | 10.10766 | 6680.953 | NA       |
| @LOG(MSMEs)          | 0.004223 | 151.4013 | 1.102413 |
| @LOG(POPULATION<br>) | 0.056028 | 5954.147 | 1.102413 |

Source: Appendix Eviews Output Initial Model

Through the VIF value obtained as presented in table 2, it shows that there is no multicollinearity problem between the independent variables. This is indicated by the VIF value which is smaller than 5 so it can be concluded that there is no multicollinearity between the independent variables.

c. Heteroscedasticity Test

Heteroscedasticity is an indication that the variance between residuals is not homogeneous which results in the estimated value obtained being inefficient. To test heteroscedasticity, the Breusch-Pagan-Godfrey test is used (Gujarati & Porter, 2009: 385), namely by regressing the residual squares on all independent variables. If the Breusch-Pagan-Godfrey Test results are not significant, it indicates that there are no symptoms of heteroscedasticity in the regression model.

**Table 3.**  
**Heteroscedasticity Test Results on Regression Model**

**Heteroskedasticity Test: Breusch-Pagan-Godfrey**

Null hypothesis: Homoskedasticity

|                     |          |                     |        |
|---------------------|----------|---------------------|--------|
| F-statistic         | 1.474512 | Prob. F(2,9)        | 0.2793 |
| Obs*R-squared       | 2.961605 | Prob. Chi-Square(2) | 0.2275 |
| Scaled explained SS | 1.372176 | Prob. Chi-Square(2) | 0.5035 |

Source: Appendix Eviews Output Initial Model

Through the Breusch-Pagan-Godfrey Test results in table 3, it can be seen that the probability value is greater than 0.05. Thus it can be concluded that there are no symptoms of heteroscedasticity in the regression model.

d. Autocorrelation Test

In testing autocorrelation, the LM test is used to determine whether there is autocorrelation in the regression model (Gujarati & Porter, 2009: 385). The following are the results of testing autocorrelation using the Lagrange multiplier test.

**Table 4.**  
**Autocorrelation Test Results on Regression Model**

**Breusch-Godfrey Serial Correlation LM Test:**

Null hypothesis: No serial correlation at up to 2 lags



|               |          |                     |        |
|---------------|----------|---------------------|--------|
| F-statistic   | 4.035869 | Prob. F(2,7)        | 0.0683 |
| Obs*R-squared | 6.426655 | Prob. Chi-Square(2) | 0.0402 |

Source: Appendix Eviews Output Initial Model

Through the results of the lagrange multiplier test in table 4, it can be seen that the probability value is smaller than 0.05. Thus it can be ascertained that there is an autocorrelation problem in the regression model. The existence of autocorrelation in the regression model can be overcome by using autoregression (Gujarati & Porter, 2009: 417), namely by entering lag 1 of the dependent variable as an independent variable. Thus the regression model will change to the following:

$$\text{Ln GRDP}_t = \alpha + \beta_1 \text{Ln MSMEs}_t + \beta_2 \text{Ln Population}_t + \text{Ln GRDP}_{t-1} + u_t$$

## 2. Regression Equation Estimation Results

The estimation results of the model of the effect of the number of MSMEs as an independent variable on the gross regional domestic product of Jayapura city using autoregression lag 1 obtained the following results.

**Table 5.**  
**Regression Model Estimation Results**

Dependent Variable: @LOG(PDRB)  
 Method: Least Squares  
 Date: 07/ 9/24 Time: 15:04  
 Sample (adjusted): 2013 2023  
 Included observations: 11 after adjustments

| Variable             | Coefficient | Std. Error | t-Statistic | Prob.  |
|----------------------|-------------|------------|-------------|--------|
| C                    | 3.011674    | 0.209097   | 14.40325    | 0.0000 |
| @LOG(MSMEs)          | -0.031530   | 0.003532   | -8.925953   | 0.0000 |
| @LOG(POPULATION<br>) | -0.135877   | 0.022494   | -6.040724   | 0.0005 |
| @LOG(GRDP(-1))       | 0.940233    | 0.021654   | 43.42023    | 0.0000 |

Source: Appendix Eviews Output Final Model

Based on the coefficients value contained in table 5, the following regression equation can be formed:

$$\text{Ln GRDP}_t = 3.0117 - 0.0315 \text{Ln MSMEs}_t - 0.1359 \text{Ln Population}_t + 0.9402 \text{Ln GRDP}_{t-1}$$

Description:

GRDP = Gross Regional Domestic Product

MSMEs = Number of MSMEs

Population = Total Population

The coefficients in the equation can be interpreted as follows:

- 1) The constant of 3.0117% shows the average value of GRDP growth in Jayapura city if the number of MSMEs and the total population remain constant.

- 2) The number of MSMEs has a negative coefficient of 0.0315, indicating that every 1% growth in the number of MSMEs is predicted to reduce the growth of GRDP in Jayapura city by 0.0315 percent.
- 3) Total population has a negative coefficient of 0.1359, indicating that every 1% growth in total population is predicted to reduce the growth of GRDP in Jayapura city by 0.1359 percent.
- 4) The previous year's GRDP has a positive coefficient of 0.9402, indicating that a 1% growth in the previous year's GRDP is predicted to increase the next year's GRDP growth by 0.9402 percent.

### 3. Coefficient of Determination

The coefficient of determination is used to determine how much influence the number of MSMEs as an independent variable, and population as a control variable on the gross regional domestic product of Jayapura city. The coefficient of determination is obtained through processing results using Eviews 13 software as presented in the following table.

**Table 6**  
**Coefficient of determination on GRDP of Jayapura city**

|                    |          |                       |           |
|--------------------|----------|-----------------------|-----------|
| R-squared          | 0.998540 | Mean dependent var    | 16.83786  |
| Adjusted R-squared | 0.997915 | S.D. dependent var    | 0.154073  |
| S.E. of regression | 0.007036 | Akaike info criterion | -6.800264 |
| Sum squared resid  | 0.000347 | Schwarz criterion     | -6.655575 |
| Log likelihood     | 41.40145 | Hannan-Quinn criter.  | -6.891470 |
| F-statistic        | 1596.047 | Durbin-Watson stat    | 2.577616  |
| Prob(F-statistic)  | 0.000000 |                       |           |

Source: Appendix Eviews Output Final Model

Based on the adjusted R-squared value of 0.9979 contained in table 6, it can be seen that the growth in the number of MSMEs, population, and GRDP in the previous year had an influence of 99.79% on the growth of gross regional domestic product (GRDP) in Jayapura city.

### 4. Hypothesis Testing

Next, hypothesis testing is carried out to prove whether the number of MSMEs affects the gross regional domestic product (GRDP) of Jayapura city. The test uses the t test by comparing the probability value to 0.05. If the probability value is smaller than 0.05, it can be concluded that there is a significant effect. The following is a summary of the results of testing the effect of the number of MSMEs on regional domestic products.

**Table 7**  
**Summary of the t test of the effect of the number of MSMEs on the GRDP of Jayapura city**

| Variable         | Coefficient | Std. Error | t-Statistic | Prob.  |
|------------------|-------------|------------|-------------|--------|
| C                | 3.011674    | 0.209097   | 14.40325    | 0.0000 |
| @LOG(MSMEs)      | -0.031530   | 0.003532   | -8.925953   | 0.0000 |
| @LOG(POPULATION) | -0.135877   | 0.022494   | -6.040724   | 0.0005 |
| @LOG(GRDP(-1))   | 0.940233    | 0.021654   | 43.42023    | 0.0000 |

Source: Appendix Eviews Output Final Model

### *Effect of Number of MSMEs on GRDP*

In table 7, it can be seen that the tcount value of the variable number of MSMEs on GRDP is -8.9259 with a probability value of 0.000. Because the probability value is smaller than 0.05, it can be concluded that the growth in the number of MSMEs is significant in influencing the growth of GRDP in Jayapura city at the 5% level of error. The negative regression coefficient shows that the growth in the number of MSMEs is inversely proportional to the growth of GRDP in Jayapura city. When the number of MSMEs has decreased since 2021, the GRDP of Jayapura city has actually continued to increase.

### *Effect of Total Population on GRDP*

In table 7, it can be seen that the tcount value of the population variable on GRDP is -6.0407 with a probability value of 0.000. Because the probability value is smaller than 0.05, it can be concluded that at the 5% level of error, population growth is significant in influencing the growth of GRDP in Jayapura city. The negative regression coefficient indicates that population growth is inversely related to the growth of GRDP in Jayapura city. High population growth since 2020 is not commensurate with the growth of GRDP in Jayapura city.

## **DISCUSSION**

Micro, Small and Medium Enterprises (MSMEs) are an environmental financial force that can no longer be underestimated. The presence of MSMEs today can maintain a very large number of workers, open up business potential, reduce unemployment, and can understand the distribution of government assistance evenly. Micro, Small and Medium Enterprises (MSMEs) in Indonesia are still faced with various problems that cause helplessness both in the area around the place of business and around the world. The main problem faced is the limited government structure and access related to approvals and associations and high levels of liability. The objectives of this study are: To determine the development of MSMEs and the development of economic growth in Jayapura City and to determine the effect of MSME development on economic growth in Jayapura City.

The results showed that the growth of MSMEs in Jayapura City plays an important role in the economic growth of Jayapura city by increasing Gross Regional Domestic Product (GRDP). Economic growth in Jayapura city showed an increasing trend during the period 2012-2023. However, in 2020 the economic growth of Jayapura city had decreased, but this condition did not last long because in 2021 the economic growth of Jayapura city rose again. Meanwhile, the growth of MSMEs in Jayapura city tends to fluctuate during the period 2012-2023. In the period 2012-2019 the number of MSMEs in Jayapura city fluctuated in the range of 1000 to 3000.

However, in 2020 the number of MSMEs in Jayapura city jumped dramatically to almost 7000, then from 2021 to 2023 the number of MSMEs in Jayapura city decreased dramatically to less than 1000 MSMEs. The effect of MSMEs on economic growth, shows the results of the  $t_{\text{count}}$  value of the variable number of MSMEs on GRDP of -8.9259 with a probability value of 0.000. Because the probability value is smaller than 0.05, it can be concluded at the 5% error level that the growth in the number of MSMEs is significant in influencing the growth of GRDP in Jayapura city. The negative regression coefficient shows that the growth in the number of MSMEs is inversely proportional to the growth of GRDP in Jayapura city. When the number of MSMEs has decreased since 2021, the GRDP of Jayapura city has actually continued to increase.

## CONCLUSIONS AND RECOMMENDATIONS

The growth of MSMEs in Jayapura City has a very important role in increasing Gross Regional Domestic Product (GRDP). Where, economic growth in Jayapura City has shown an increasing trend during the 2012-2023 period. However, in 2020 where economic growth in Jayapura City experienced a decline, this condition did not last long, considering that in 2021 the economic growth of Jayapura City increased again. Meanwhile, the growth of MSMEs in Jayapura City also tends to fluctuate since the 2012-2023 period. For the period 2012-2019, the number of MSMEs in Kota Jayapura fluctuated in the range of 1000 to 3000. However, in 2020 the number of MSMEs in Jayapura city jumped dramatically to almost 7000, then in 2021-2023 the number of MSMEs in Jayapura city experienced a drastic decline to less than 1000 existing MSMEs.

Talking about MSMEs and their influence on economic growth, it can show the results of the  $t_{\text{count}}$  value of the variable number of MSMEs on GRDP of -8.9259 with a probability value of 0.000. Because, this probability value is smaller than 0.05, it can be concluded that the growth in the number of MSMEs has a significant influence on the growth of GRDP in Jayapura city. The negative regression coefficient shows that the growth in the number of MSMEs in Jayapura City is inversely proportional to GRDP growth. When the number of MSMEs has decreased since 2021, the GRDP of Jayapura City has continued to increase.

From the above conclusions, the recommendations that researchers can propose are: (1) To strengthen the role of MSMEs in relation to economic growth, the government as a policy maker needs to synergize with the community who are MSME actors. This can then be achieved by designing programs that can

maximally develop the potential of MSMEs. (2) This research can still be developed further, which is due to the many aspects that can be further examined, related to the growth of small and medium enterprises (MSMEs) in Jayapura City.

### **FURTHER STUDY**

Further research is expected to be carried out in other regency/cities in the Papua Province region. Related to the Effect of MSMEs on Economic Growth.

### **ACKNOWLEDGMENT**

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