



MANAGEMENT'S IMPACT ON MICRO, SMALL, AND MEDIUM ENTERPRISE (MSME) DEVELOPMENT IN TOURISM: DRIVING LOCAL ECONOMIC GROWTH IN LEBAK DISTRICT

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Article Information Abstract

History of article:
Accepted March 2024
Approved March 2024
Published March 2024

Keywords:
Management,
MSMEs, tourism
sector, local economic
development

This study aims to investigate the role of management in the development of Micro, Small, and Medium Enterprises (MSMEs) in the tourist sector as a catalyst for local economic development in the Lebak District. The study takes a qualitative methodology, with government agencies and MSME actors in Lebak District serving as research informants. The findings emphasize the importance of effective management techniques in the development and growth of MSMEs operating in tourist attraction regions. Strong government support through local rules, streamlined licensing procedures, and the availability of suitable business locations are all important elements impacting MSME development. However, problems such as limited availability to raw materials, marketing limits, and financial constraints. It is crucial to focus on improving management competencies for the MSME actor in order to handle these difficulties and boost MSME development. This includes assisting with infrastructure development, developing human resource skills, and encouraging collaboration among government agencies, local communities, and MSME actors. Furthermore, the government should make the finance more accessible and provide business training programs to empower MSMEs in the tourism sector and drive local economic growth in the Lebak District. Effective management practices are critical for guaranteeing MSMEs' long-term viability and competitiveness in the fast-paced tourist business.

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e-ISSN 2502-1451

INTRODUCTION

Lebak Regency in Indonesia is widely recognized as a national tourist destination, offering many attractions, ranging from natural scenery to cultural experiences, making it an attractive place for travelers to explore and enjoy a memorable adventure (Viverita et al., 2022). In Lebak Regency, one of the tourist attractions that has been go international is the Baduy Tribe, as one of the World Heritage (Suhud et al., 2019). Many tourist sites, whether natural tourism, religious tourism, cultural tourism, and other tourism sector, make an economic impact to increase the Original Regional Revenue (PAD) (Agustaniah et al., 2022; Mardianis & Hanibal, 2018). PAD is defined as revenue derived from sources within its territory, collected based on

applicable law (Nasir, 2019). PAD itself is an indicator of regional independence from central government dependence (Octavyanthi & Basuki, 2022).

Micro, Small, and Medium Enterprises (MSMEs) and local revenue are two interrelated economic elements (Nurlinda & Sinuraya, 2020). MSME products can be used as mainstay products for sale at the location of tourist attractions (Damanhur et al., 2021; Nugraha et al., 2017) and can support the development of the regional and national economies. Based on the data of Coordinating Ministry for Economic Affairs of the Republic of Indonesia, 2022, the role of MSMEs is significant for Indonesia's economic growth, with the number reaching 99% of all business units. MSMEs contributed 60.5% of

GDP in 2022, and employment accounted for 96.9% of total national employment. MSMEs, which are common in each region, will boost the regional economy (Coordinating Ministry for Economic Affairs of the Republic of Indonesia, 2022).

The Developed MSMEs will be able to absorb a large workforce (Yudha & Purbadharmaja, 2019). MSMEs included food vendors, souvenir makers, handicrafts, production, and souvenir traders. According to data from the Ministry of Cooperatives, Small and Medium Enterprises (KUKM), the number of MSMEs in Indonesia was 64.2 million in 2018, which represents 99.99% of all enterprises. MSMEs absorb 117 million workers, or 97% of total business labor absorption. Meanwhile, MSMEs contribute 61.1% of GDP to the national economy, with the remaining 38.9% contributed by significant business actors, the number of whom is just 5,550, or 0.01% of the total number of business actors. (www.djkn.kemenkeu.go.id, 2020). This condition shows that MSMEs are one of the business units that are the vitality of the regional and national economy (Nugraha et al., 2017).

In fact, during the Covid-19 Pandemic, MSMEs can support the economy, but some others are experiencing less than optimal conditions ((Nufus et al., 2021) (Yuniawati & Widiasih, 2019) (Nurlinda & Sinuraya, 2020; Saturwa & Abdul, 2021). (Setiawan, 2013) argues that MSMEs will grow due to the growth of tourism, the characteristics of an area that are often searched for by tourists are generally provided by these MSMEs. It can be interpreted that MSMEs depend on tourism potential and tourist visits in an area (Prasetyo & Suryoko, 2018). The support of the natural tourism sector, religious tourism, cultural tourism, and other tourism is important for the development of these

MSMEs, because tourism support will attract tourists, who will bring souvenirs as a memento (Putri et al., 2021).

The *Seven Media Asia* as one of the institutions that continuously gives awards to individual or organizational achievements, in 2020 honored Lebak Regency as *The Best Destination on Culture and Heritage* (Admin www.lebakkab.go.id, 2020). Awards were given to all regions that have special tourist destinations. With all its uniqueness and excellence as well as the variety of cultures owned, it is certain that it will be something extraordinary for tourists and become a leading tourist destination in order to achieve Lebak as a national leading tourist destination based on local potential. The achievement of the award is also a motivation to continue making tourism in Lebak Regency a leading tourist destination as contained in its vision, namely: "Lebak as a National Leading Tourism Destination Based on Local Potential" (Niode & Rahman, 2022).

Referring to this vision, various local potentials will be developed integratively through the development of the tourism sector as the leading sector so as to accelerate regional economic development and realise improvements in community welfare, including efforts to develop MSMEs in Lebak Regency. In fact, this is implicitly written in the 2nd Mission of the Regent and Deputy Regent of Lebak Year 2019-2023, namely: "Increase the productivity of the regional economy through tourism development". The goal to be achieved is to increase the quantity and quality of MSMEs in Lebak Regency.

The number of MSMEs in Lebak Regency has shown maintained quantitative increase over the last five years, as indicated by the data as in Table 1.

Table 1. The Growth of MSMEs in Lebak Regency

No.	Type of MSME	Year (Unit)				
		2018	2019	2020	2021	2022
1.	Micro	48.976	49.212	49.498	49.758	56.658
2.	Small	725	811	825	884	890
3.	Medium	11	13	15	16	16
Total		49.712	50.036	50.338	50.658	57.564

Based on Table 1, during the last 5 years the number of MSMEs units has increased. This condition is also encouraging because during the Covid-19 pandemic, it appears that people's interest in business activities in Lebak Regency remains positive. Even the MSMEs were able to absorb a workforce of 91 thousand people. The development of the number of MSME units cannot be separated from the synergistic participation of the Government (Central Government, Provincial Government, and Lebak

Regency Government), Private (Banking), and MSME actors themselves (Office of Cooperatives and MSMEs of Lebak Regency, 2022). However, during its development MSMEs faced problems. According to (Hafsah, 2004), the problems faced by MSMEs are internal and external factors. Internal factors include aspects of capital, lack of human resources, and limited business networks. The external aspects include: business conduciveness, limited business infrastructure, aspects of regional autonomy, the impact of free

trade, the nature of products with a short lifetime, and limited market access.

The information provided by (Hafsah, 2004) is also relevant to the conditions faced by MSME practitioners in Lebak Regency. According to the results of observations, a number of problems related to MSMEs in Lebak Regency were identified. The first issue is related to the low productivity of the community in various MSME sectors. The low productivity of the community was due to the low interest of the community in Lebak Regency in MSMEs. This is shown by the increase in the number of MSME units for three years, which is still not in accordance with the target set by the Lebak Regency Government. In 2020, the Regency Government targeted the growth of MSMEs in Lebak Regency to be 26.82%. However, the realization only reached 13.63%. This can be inferred due to less interest of community in MSMEs.

The Central Government's program to provide assistance for the community to engage in MSME businesses has not met expectations (*Dinas Koperasi dan UMK Kabupaten Lebak, 2022*). The other problem is the financing aspect of MSME sector actors. MSME actors in Lebak Regency find it difficult to obtain financing from banks. In 2019, Micro KUR debtors in Lebak Regency reached 5,492 debtors. However, in 2020 it increased sharply to 12,664 debtors (230.59%). The increase was more related to loan assistance for Micro KUR (People's Business Credit) from the government, not from banks. Other problems are related to the utilization of KUR loans for consumptive purposes, not in accordance with their main purpose, namely for the development of MSMEs (*Dinas Koperasi dan UMK Kabupaten Lebak, 2022*). Then, the lack of market expansion for MSMEs products and services also becomes the problem. This problem is more commonly known as the problem of marketing MSME products. It is difficult for MSMEs in Lebak Regency to enter the market because they are still weak in marketing management.

Those problems are often faced by MSME actors in Lebak Regency. MSME actors in Lebak Regency are generally traditional MSME actors, meaning that in their business activities they are still using traditional methods. For example, in

promoting their products, they are only limited to speaking by word (word of mouth). Even the product packaging is still not innovative. For example, honey products that are highly recognized as Baduy Honey are still marketed in a simple way through packaging bottles without labels. The next problem is related to coordination between sectors. For example, with the tourism sector, MSME actors, tourism site managers, and the Tourism Office do not coordinate well. Businesses tend to consider MSME actors in these locations as competitors, even disruptors. In addition, the Tourism Office itself has difficulty coordinating with tourism managers and businesses due to the suspicion that the tourist attractions will be fully managed by the Regency Government. This ultimately makes visitors do not feel comfortable in making their tourist visits.

Therefore, this article aims at examining and analyzing the potential description of MSMEs in Lebak Regency, the supporting and inhibiting factors for the development of MSMEs in Lebak Regency, and the role of management in the development of the tourism sector to become a catalyst for the development of MSMEs in Lebak Regency.

METHOD

This research was conducted by using qualitative methods including interviews with MSMEs actors. Secondary data and review of relevant literature were used to strengthen the findings of this study. This qualitative study technique began by accumulating basic assumptions regarding the condition of MSMEs in Lebak Regency, as well as the flow of thought related to the consideration of the tourism sector as a strategy in the growth of MSMEs in Lebak Regency. The population of this research is MSME actors and also actors in the tourism sector. The author also uses several research articles on MSME development strategies from various perspectives. The samples in this paper are those who are involved in area of MSMEs and tourism in Lebak Regency, as well as government agencies, namely the Cooperative and MSME Office of Lebak Regency and the Tourism Office of Lebak Regency.

Table 2. The MSMEs Actors, Products, and Locations in Lebak Regency

The name of the actors	MSMEs Products	MSMEs Location
Mr. Hadi Muntoha	<i>Abon Ikan Tongkol</i>	Lebak Regency
Mr. Hasan	<i>Produk ikan asin</i>	Malingping District
Mr. Badru	<i>Produk Madu Teuweul</i>	Rangkasbitung District

Table 2 lists the names of the Interviewed MSME actors, their products, and the locations of their businesses within the Lebak Regency. The interview also conducted with the Head of Department of Cooperatives and SMEs of Lebak

Regency, Hj. Yudawati. Then, the data collection was carried out through the exploration of secondary data or research results from a reliable literature study in order to present an accountable and more comprehensive study of the results of

this paper. The sampling of sources and data was carried out directly or indirectly on a condition related to this research. The results are presented in descriptive form in the form of narration to be further evaluated for conclusion-making activities. The process of drawing conclusions entails delivering a summary of previous results and discussions.

RESULTS AND DISCUSSION

Condition of MSMEs in Lebak Regency

Lebak Regency has a lot of tourist destinations, both cultural, natural, and artificial tourist destinations. Natural tourist attractions are distinguished into the categories of climate, beaches, nature reserves and rivers. Meanwhile, man-made tourist attractions are classified as historical relics, arts, customs, and crafts. Then there is nature tourism in Lebak Regency, which includes places such as Bagedur Beach, Binuangan Beach, Sawarna Beach and Cave, Gunung Halimun National Park, Cipanas Hot Springs, and others. Meanwhile, man-made tourism includes the Baduy Tribe, Multatuli Historical Relics (Max Havelar), and others. Many areas in Lebak Regency still have the potential to be developed as tourist destinations. According to data on MSMEs in Lebak Regency in 2021, there are 172,000 business units and around 58,000 business units are active and stable in contributing to the economic progress of the community. Among the 58,000 MSMEs, the economic value reaches billions of rupiah per month and absorbs tens of thousands of workers.

Unfortunately, the development of MSMEs around tourist attraction locations is still not optimal, out of hundreds of tourist objects in Lebak Regency, only 60% of tourist destinations are able to drive MSMEs and increase community economic growth in locations around tourist objects. In Lebak Banten Regency, many MSME groups have developed with various types of preparations and business scales. However, there are several obstacles faced by MSME groups in Lebak Banten Regency in developing their businesses. The most basic issues that these MSME actors confront include a lack of human resources with limited expertise and abilities in establishing their firms, financial issues, a lack of facilities and equipment, and a lack of access to product promotion.

Supporting and Hindering Factors of MSME Development in Lebak Regency

MSME actors in Lebak Regency frequently receive attention from the Lebak Regency Government. This is shown by providing convenience to the community in terms of business licensing. The policies issued by the local government are strongly supporting MSMEs. In addition, the Government also cooperates with

community groups to develop MSMEs, especially MSMEs in tourist attraction locations. The group is called *POKDARWIS* (in bahasa: *Kelompok Sadar Wisata*) whose members are mostly MSME actors in Lebak Regency who are also aware of tourism sustainability. One of the MSME actors in Lebak Regency, Mr Hadi Muntoha, who produces Abon Ikan Tongkol, said that the Government, both the Lebak Regional Government and the Central Government, had helped a lot in facilitating business licensing. In fact, according to Mr Hadi, the Lebak Regency Government strongly encourages business actors in the environment of tourist sites to legalize their businesses.

The Department of Cooperatives and SMEs of Lebak Regency, Food and Drug Supervision Centre (BPOM) Lebak Regency, and MUI Lebak facilitate business licences and halal certificates for MSMEs engaged in food production. Unfortunately, this has not been well socialized. This is demonstrated by the fact that there are still many MSME actors who do not know about this assistance from the Government. Based on data from the Office of Cooperatives and MSMEs of Lebak Regency, out of 117,269 only 72,385 already have a Business License, the rest are seasonal MSMEs. The existence of tourism development is a process to bring more tourists to visit and make repeat visits to the tourist area of Lebak Regency, but it is also a demand that the facilities and services of tourist objects are adequate and able to meet the needs of tourists who continue to grow. The increase in tourist visits to Lebak Regency is an implication of the tourism development efforts or processes carried out intensively by managers, governments and communities. Tourism development in Lebak Regency can be said to be successful because it is able to increase tourist visits from year to year. This is an evaluation for the community receiving tourists, in this case MSMEs in Lebak Regency, in providing the needs of tourism facilities for tourists. The large number of tourist visits creates demand for MSMEs in Lebak Regency to be able to meet the needs of tourists, which has an impact on increasing MSME income and stimulating the community to create new MSMEs as an alternative to being able to meet the needs of tourists whose numbers continue to grow. The figures below show the increase in tourist visits as a result of the tourism development process.

According to the findings of an interview with the Head of Department of Cooperatives and SMEs of Lebak Regency, Hj. Yudawati, it was conveyed that the support of the Lebak Regency Government through the establishment of Plaza Lebak, the MSME Gallery in Cilograng District, and the MSME Production House and Gallery had not yet had a significant impact on MSMEs actors in Lebak Regency, especially MSME actors in Rangkasbitung. The cause was the lack of visitors to these locations. Besides, based on the

results of interview with Mr. Badru, one of the Honey *Teuweul* Production MSME actors from Rangkasbitung District stated that the development of economic resources is not yet optimal, both natural resources (agriculture, fisheries, mining, etc.), human resources, and technology.

The existence of MSMEs in tourist sites, such as at Bagedur Beach, has a good role in providing the needs of tourists. The impact on the community is significant, it increased income for stalls, homestay owners, and parking can be a side livelihood for the people, the majority. Based on the interview with Mr Hasan, one of the MSME actors from Malingping District. With the increase in tourist visits, tourism facilities, in this case MSMEs in Lebak Regency, also experienced an increase in income as a form of spending implications allocated by tourists to MSMEs. In this case if reflected on tourist objects in Lebak Regency, tourist expenditures will be absorbed by Homestay businesses, food stalls, local products, and souvenirs located at tourist sites. The development of MSMEs in Lebak Regency is stimulated by an increase in tourist visits, the development of MSMEs can be seen from the increase in turnover or income generated by business actors, as stated by Mr Hasan.

The growth of MSMEs arises as the number of tourist visits increases due to the process of tourism development and is a consequence of increased tourist visits. The growth of MSMEs in Lebak Regency is a business that is established based on the tourism process itself, and also MSMEs develop and grow on the basis of tourism reasons. The relationship between tourism development and the

development of MSMEs is closely related to the increase in tourist demand for their needs while travelling, this is because interesting and increasing tourist attractions will keep tourists staying longer and good infrastructure facilities will make tourists make repeat visits because access is easy to reach, and the community as hosts and MSME actors are able to welcome with hospitality and be able to accommodate all the needs of tourists. The increasing number of tourists is followed by the growth in the number of MSMEs.

Several factors affect the development of MSMEs in Lebak Regency, including Human Resources, low human resources are a factor inhibiting the development of MSMEs in Lebak Regency. The old mindset of the people of Lebak Regency who still choose to be farmers rather than tourism service providers (MSMEs), The business capital of the majority of business actors in Lebak Regency is personal capital. Limited capital makes it difficult for a business to develop, in homestay or lodging business actors cannot develop their business to further improve its standards and facilities due to lack of capital, Products offered at tourist attractions in Lebak Regency do not have variations and tend to be monotonous. In kiosk businesses, the products sold between one stall and another tend to be the same, the MSME market in Lebak Regency tourism objects is still limited to around tourism objects in Lebak Regency, uncontrolled growth, the growth of MSMEs in Lebak Regency tourism objects tends to be based on trends, and if the growth of MSMEs cannot be controlled it can weaken other MSMEs.

Table 3. The Problems Affect the Development of MSMEs in Lebak Regency

No	Problems	Effect
1	Limited capital and access	This limitation restricts the ability to invest in infrastructure and technology, as well as expand their operations. It also impedes their ability to get raw materials or meet rising market demand.
2	Low quality of human resources	The issue of low-quality human resources relates to a lack of sufficiently skilled and experienced people limit productivity, innovation, and competitiveness in the MSME sector.
3	Limited marketing capabilities	The limited marketing capabilities, such as insufficient branding, advertising, market research, and distribution networks can make it difficult to effectively contact target markets and expand their consumer base.
4	Low access to business information	Limited access to business information, such as market trends, customer preferences, and industry best practices, impede the capacity to recognize opportunities, develop, and compete effectively.
5	Actor collaboration is not ideal	When collaboration is not ideal, it hinders the exchange of knowledge, resources, and support systems, which are all crucial to the success of MSMEs.

Based on the data in Table 3 the limited funding and access, low quality of human resources, limited marketing capabilities, limited access to business information, and sub-optimal collaboration among actors are issues that hinder the development of MSMEs in Lebak District. Addressing these issues is critical to promoting the growth and sustainability of MSMEs in the region, so actions such as increasing funding opportunities, improving labor skills, strengthening marketing strategies, providing access to relevant business information, and encouraging collaborative partnerships among stakeholders are required.

The Role of Management in MSME Development of Tourism Sector as a Catalyst of Local Economic Development in Lebak Regency

The number of tourist attractions in Lebak Regency has not been able to become a catalyst for improving the economy of the community around tourist objects, especially by MSME actors. Therefore, it is necessary to have an appropriate strategy to utilize the tourism sector for the development of MSMEs in the Lebak Regency, especially those around tourist attractions. To develop a strategy for the development of MSMEs in Lebak Regency, there are several problems that need to be considered. These problems are grouped into five elements, namely Targets, Factors, Actors, Objectives, and Alternative Strategies.

Goal

A goal is something to be achieved through MSME development strategies, especially those around tourist attractions in Lebak Regency. In this case, the goal to be achieved is the development of MSMEs through community empowerment at tourist sites in Lebak Regency. What is meant by community empowerment is an educational process in order to change the mindset of the community, especially MSME actors in tourist attraction locations, which initially had the assumption that the products that could be offered were only those related to the characteristics of the tourist attraction. For example, for beach natural attractions, what can be developed is only selling fish. Whereas fishery natural resources can have high economic value if made into various alternative creative products. The word empowerment implies a process of increasing capabilities and expertise, especially in order to improve their business by utilizing the characteristics of tourist attractions. In accordance with Regional Autonomy, each region has the freedom and responsibility to develop and advance its region and everything depends not only on the Regional Government, but also all parts of the community.

Factors

Factors are the rationale that needs to be identified and prioritized to achieve the main objectives. There are several factors that must be considered in the context of community empowerment through the development of MSMEs in Lebak Regency through the utilization of the tourism sector, natural resources (SDA) are of course indispensable in the development of these MSMEs. With natural resources available, the MSME development plan is also more likely to be implemented, allowing people living around the tourist sites to participate in the business.

Human resources (HR), namely the labor force that is the backbone for the running of businesses in tourist attraction locations. MSMEs in tourist attraction locations will not run without the active participation of every line of society. Good political will from the local government in developing MSMEs through policies or local regulations that favor the success of MSMEs in tourist attraction locations.

Political, social and cultural factors are influential in terms of tourist visits, including the security stability of a tourist area that is not safe and comfortable, as well as an unstable economy that will cause uncertain prices for tourist products, so that it will affect the number and frequency of tourist visits. Facilities and infrastructure are one of the most important supports in small business development. With the realization of the development of facilities and infrastructure, it can provide an impetus for the economic growth of the community at the location of the tourist attraction.

Actors

Actors refer to any part of the community in a tourist attraction location that needs to be involved in order to develop MSMEs to achieve the main goal of community empowerment. Actors that need to be considered in the development of MSMEs are people who live in tourist attraction locations must be considered for participation in MSME development, because of their main role as MSME actors.

Local Government (*Pemda*) is the way for the opening of the business, because the local government will determine policies and regulations that are likely to facilitate the running of MSMEs, or even the opposite, namely inhibiting. In other words, the local government determines the business climate of MSMEs in tourist attraction locations. The most important contribution of the local government is to increase and foster the creative efforts of the community to target regional potential and manage it. Relevant ministries must participate in monitoring and controlling the development of policies and regulations made by local governments for the sustainability of MSME development. For example, the Ministry of Maritime Affairs and

Fisheries participates in the development of MSMEs in marine/beach tourism objects.

Financial institutions, in addition to providing capital, can also provide loans with certain interest rates that are not burdensome for MSME actors. In addition, financial institutions can be used as a place to save money, which usually has interested every year, for example banks, cooperatives and others. In this case, capital is no less important, especially for the smooth running of business operations at all times. This is considering the limitations of the local government in providing subsidies for a business, because the local government must divide its budget for other activities or programs in the region.

Investors are parties outside of financial institutions or banks that play a major role in providing capital for small businesses. Investors are differentiated from financial institutions because of their different nature and way of working. Investors usually only provide capital to industry actors as the wheels of MSME operations. Industry actors are people in tourist attraction locations who are directly involved in the development of MSMEs.

Objectives

Objectives are the things that each actor wants to achieve to achieve the main objectives of MSME development. The objectives identified are increased labor absorption. With the development of MSMEs based on the tourism sector, it is expected that the labor force or unemployment in particular can be absorbed in businesses according to the abilities and knowledge possessed by each.

Increased community income. The community of Lebak Regency as a community that is mostly a middle to lower economic class, initially earning an income that is only enough to fulfil their daily needs, then later they can get additional income through productive MSME businesses. Business expansion. This means how to diversify existing businesses. Meanwhile, the creation of a new business is a business that does not exist at all and has the potential to be developed by utilizing the resources owned, namely utilizing the existing potential in accordance with the tourism object.

Strategy Alternatives

Alternative strategies relate to specific policies that are prioritized to achieve the main objectives, namely utilization of the distinctiveness of tourism objects as MSME marketing objects is important to do, considering that the distinctiveness or main characteristics of each tourist attraction are the main capital in the development of MSMEs. Increasing local community awareness of efforts to preserve tourist attractions in order to avoid environmental

damage. Therefore, a strategy is needed to increase local people's awareness of the surrounding environment. If the environment is damaged, then tourists are reluctant to visit, resulting in decreased, even zero, community income.

Improvement of the MSME management mechanism is formed from the combination and cooperation between the community in the location of the tourist attraction, industry actors, the Local Government of Lebak Regency, universities, community organizations, and financial institutions. This cooperation was realized through their respective contributions. The community forms groups or institutions and conducts the development and creation of MSMEs through direction from the Local Government and capital assistance/subsidies from the Local Government. In addition, direction and supervision from the local government are still needed for the community and industry actors. Meanwhile, industry actors are expected to not only be concerned with the profits to be achieved, but also provide direction, and work together in order to improve product quality.

The development of facilities and infrastructure at tourist attraction locations is intended to support the creation of tourism products. This development is expected to be a trigger in the development of MSMEs and can be an attraction for tourists who will visit. Improving human resource skills and technology in supporting MSMEs as a requirement that must be met, so that the businesses of MSME actors in tourist attraction locations survive and continue to grow. This quality improvement can be done through trainings involving the local government and stakeholders.

Policy and institutional improvements are intended to provide support for the development of MSMEs for communities in tourist attraction locations. Policies and regulations are handled by the local government or related agencies, such as Marine and Fisheries Department (*DKP*), the Regional Planning and Development Agency (*Bappeda*), the Office of Industry and Trade, Cooperatives and MSEs. One of the weaknesses for MSME actors is the lack of capital and human resource skills that have not been maximized, so that existing small business groups are no longer running well, and can even be said to be dead. This is due to many reasons including the lack of guidance from relevant parties and the uncertainty of business prospects, so that small business groups are no longer active. Even (Amaliyah & Witiastuti, 2015) stated that the literacy level of the SME owners is still relatively low. Therefore, the government and other private parties need to create training and seminars on knowledge management skills, needs management. In

addition, existing local regulations are sometimes burden for small businesses, especially in terms of licensing so they cannot facilitate the development of MSMEs in tourist attraction locations. Therefore, it is necessary for the government, especially the local government, to reactivate MSME groups and continue coaching so that there is passion and initiative to continue to develop in supporting MSMEs in terms of environmental maintenance, as well as increasing training on MSMEs. Existing policies or regulations need to be reviewed, in order to facilitate the interests of the government and also the MSMEs themselves.

CONCLUSIONS

This study demonstrates the strong relationship between management and the development of Micro, Small, and Medium Enterprises (MSMEs) in Lebak Regency tourist attractions. It emphasizes the need of supporting variables such as government assistance, simplified licensing procedures, and suitable business premises, all of which are necessary components of efficient management techniques. However, there are some considerable barriers to progress, such as limited natural resources, lack of competent human resources, and insufficient funds. It is crucial to develop policies that focus on improving existing facilities and infrastructure, upskilling the labor force that supports MSMEs, and encouraging collaboration among government agencies, local communities, and MSME players to strengthen MSMEs in the tourism industry. These measures should include opening up access to competitive loans that do not require collectible collateral, developing managerial skills by utilizing local potential, and encouraging collaboration among stakeholders.

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