

## Identification of The Potential for The Independence of MSMEs in The Muara Tami District of The Indonesia-PNG Cross-Border Border

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**ABSTRACT:** The research aims to identify the potential independence of the MSME actors in villages in Muara Tami District, on the border of Indonesia and Papua New Guinea (PNG). Using a qualitative descriptive method with SWOT analysis, we seek to find strengths and opportunities as an overview of the potential independence of the MSME actors. The research focuses on indigenous Papuans (OAP) who operate the MSME business in the Muara Tami District. The data collection technique uses observation, interview, and documentation study. Three research stages were employed: exploration, interpretation, and contextualization. The results show that the MSME actors have the potential to create independence in developing their business activities by utilizing their strengths and opportunities as well as overcoming the weaknesses and threats faced. In the SWOT analysis, MSME actors are in the first quadrant, indicating the strengths and opportunities that can be used to develop MSME activities in the region.

**Keywords:** Potential for MSME independence, SWOT analysis, strengths, weaknesses, opportunities, Muara Tami District

**ABSTRAK:** Penelitian bertujuan mengidentifikasi potensi kemandirian pelaku UMKM pada perkampungan di Distrik Muara Tami perbatasan Indonesia dan Papua New Guinea (PNG), menggunakan metode deskriptif kualitatif dengan analisis SWOT untuk menemukan kekuatan-kelemahan dan peluang-ancaman sebagai gambaran potensi kemandirian pelaku UMKM. Penelitian berfokus pada orang asli papua (OAP) yang berprofesi sebagai pelaku UMKM pada Distrik Muara Tami. Teknik pengumpulan data menggunakan teknik observasi, wawancara dan studi dokumentasi. Terdapat tiga tahapan penelitian yaitu eksplorasi, interpretasi, dan kontekstualisasi. Hasil menunjukkan pelaku UMKM memiliki potensi menciptakan kemandirian mengembangkan aktivitas usahanya dengan memanfaatkan kekuatan dan peluang yang dimiliki serta mengatasi kelemahan dan ancaman yang dihadapi. Pada analisis SWOT, pelaku UMKM berada pada kuadran I yang mengindikasikan kekuatan dan peluang yang dapat dimanfaatkan untuk mengembangkan aktivitas UMKM pada wilayah tersebut.

**Kata Kunci:** Potensi kemandirian UMKM, analisis SWOT, kekuatan-kelemahan, peluang-ancaman, Distrik Muara Tami

## INTRODUCTION

Indonesia is included in the archipelagic countries that have territorial boundaries with several neighboring countries directly, both on land and sea. Malaysia, Timor Leste, and Papua New Guinea are countries bordering Indonesia. The territorial boundaries of Malaysia and Indonesia are located in West Kalimantan Province, the territorial boundaries of Timor Leste and Indonesia are located in East Nusa Tenggara Province, and the territorial boundaries of Papua New Guinea and Indonesia are located in Papua Province. The characteristics of each regional boundary in each region have different rules, conditions and conflicts, including in terms of development (Timisela, 2015). The border of the Republic of Indonesia (RI) and Papua New Guinea (PNG), for example, local governments have made a lot of efforts in carrying out development from all aspects to support the welfare of the region and its people.

The potential development of Micro, Small and Medium Enterprises (MSMEs) in each region is one of the government's efforts to eradicate poverty (Sutter et al., 2019). The current development of MSMEs makes MSMEs a backbone for the Indonesian economy because they are able to contribute to the Gross Domestic Product (GDP) of 60% and are able to create jobs and absorb up to 120 million workforces (Nurhaliza et al., 2021). When almost all corners of the country, including Indonesia, experienced a post-pandemic economic stalemate, the government then focused on recovering the economy by empowering MSMEs with full attention because MSMEs themselves during the pandemic, although they have decreased, are still operating following consumer demand with an online system. So that the right MSMEs are able to contribute greatly to the economy and become a wide absorption of labor (Mulja & Sembel, 2021).

The development of MSMEs is not only increased in urban areas but rural areas are also included in the development agenda (Audretsch et al., 2015). This is in line with the program carried out by President Jokowi which is included in one of the third Nawacita implementations, namely "building Indonesia from the periphery by strengthening regions and villages within the framework of the Unitary State of the Republic of Indonesia". Based on the important points explained by the president, village community empowerment programs have been widely carried out and implemented by various agencies that run them, and the development of MSME actors is one of the important development agendas that is always encouraged to be realized (Arifin et al., 2021). This matter also did not go unnoticed by the Papuan government which aims to develop the interests and actors of MSMEs in rural areas. And the people of Muara Tami District are one of the areas that are being considered because of its location adjacent to the territorial boundary between RI-PNG. The RI-PNG border area is one of the tourism locations that is able to attract tourists both from within Papua and from outside Papua. This is what makes the Indonesia-PNG border always get attention in terms of development targeted by the Papuan government (Arisandi DN et al., 2024).

Several programs to develop the ability of the people of Muara Tami District to become MSME actors have been realized by several related agencies both from government agencies and from higher education institutions. Such as *workshops*, seminars, training, involving the community in festivals or exhibitions, with the aim of growing and developing the village community of Muara Tami District with their potential so that they can run their own business and be able to generate income for themselves and their families. There are several businesses that have been successfully formed and run by the village community of Muara Tami District, such as in the fields of culinary, agribusiness and tourism.

The fact is that the people of Muara Tami District Village are not residents who have a high level of education such as undergraduate education. On average, the people are only able to complete elementary school education, even some of them do not take education. The reason is because of the lack of income of parents or the sense of unwillingness owned by the community itself. Because of this, the role of the agency is very important in efforts to empower the village community in order to be able to encourage the community to recognize the problems they face, find and utilize the potential that exists in the village and be able to plan and carry out a series of activities that can trigger community welfare (Apriani, 2023).

The people of Muara Tami District, especially in this study, namely the villages of Skouw Yambe, Skouw Mabo, Skouw Sae and Mosso Village, have received and conducted several trainings provided from several government agencies and universities in order to be developed into a long-term

business. And the implementation has been realized more than 5 years from the time it was first given. However, in the reality found in the field, it turns out that MSME business actors in these areas do not have a standard of living that is in accordance with the goal of community empowerment as targeted. From product development, for example, there are several business actors who still have difficulties in producing their products in large quantities due to the lack of machine support used to support production and the lack of labor used. If the situation does not support the community, it tends to do it conventionally and this is certainly an obstacle for the community in producing products on a large scale (Nagaraj & Vaibhav, 2020).

The research problem found is to find answers about what is an obstacle in the development of MSME products in the village community of Muara Tami District, where the Muara Tami District area is the only district that is a tourism area on the RI-PNG border (McKenzie, 2017). The empowerment-based development that the government continues to strive for should have achieved the target aimed at the current years. The purpose of the research is to identify strengths and weaknesses as well as what opportunities and challenges are in order to find the extent of MSME independence owned by the village community of Muara Tami District as business actors (Trie et al., 2022). The results of the identification focused on strengths and threats as a basis for decision-making to strengthen MSMEs of village community business actors in Muara Tami District. In order for MSMEs to be able to grow and develop in a conducive, resilient and independent manner, it is necessary to have an appropriate strategy in their implementation. Strategic management is a series of consolidated implementations and provisions that are then implemented by several stakeholders in Muara Tami District involving MSME actors, the community, local governments, universities, cost provision assistance institutions, and other related agencies is the right and appropriate step to be implemented as a strengthening of MSMEs in the future (Martati & Kusrihandayani, 2020).

## METHODS

The method used in this study is a qualitative descriptive method with a case study approach. This approach is intended to analyze or research the consequences of a phenomenon or a case experienced by a group of people both in an association, organization and in the wider community in more depth (Suherman et al., 2019).

### 1. Research Design

This research will discuss the problems that occur holistically, starting from the problems experienced between humans and their environment, humans and their development systems, humans and the existing government system and problems between humans and others (Jatmiko et al., 2021). This research focuses on the potential for MSME independence of the village community in Muara Tami District which is the only district located in the border area of the Republic of Indonesia and PNG. The focus of the villages studied is Skouw Yambe, Skouw Mabo, Skouw Sae and Mosso Village. The primary source of data in this study is the Papuan Indigenous People (OAP) who are MSME business actors where there are products produced by the OAP community. After the acquisition of all data, then data analysis was carried out using qualitative descriptive analysis techniques and SWOT analysis. In essence, qualitative research with a case study approach will describe the right solution that can be provided to overcome a problem (Abdel-Basset et al., 2018).

### 2. Data Collection Techniques

The techniques used to collect data are observations, in-depth interviews with questionnaires, documentation studies, and the need to include triangulation techniques so that the data obtained and concluded later is not ambiguous and the data is valid (Ed & Ratnawati, 2020).

### 3. Data Analysis Techniques

There are 3 (three) steps used for the purpose of interpreting the data with the suitability of the observation or depiction of the research results, namely: *Exploration*, go directly to the area that is the object of research to obtain more knowledge and information and in accordance with the discourse of the research archive obtained by conducting area observations, interviews and distributing questionnaires to the intended data source (Omer, 2019). Next *interpretation* Where the findings obtained after exploration are interpreted by making new arrangements and presenting findings that are explicit or implicit in the discourse, the meaning is that the findings obtained by observation and

interviews either in the form of recordings or writings are described in an orderly and appropriate manner so that the meaning contained in the findings can be clearly stated at the end of the conclusion (Dr. Alka Jain, 2015). At the *interpretation*, the data was analyzed using qualitative descriptive analysis and SWOT analysis as an analysis model to present the findings (Madsen, n.d.). Last *Contextualization*, which is a process of understanding and interpreting research results in accordance with the context of research based on collection techniques carried out by researchers (Vuspitasari et al., 2021).

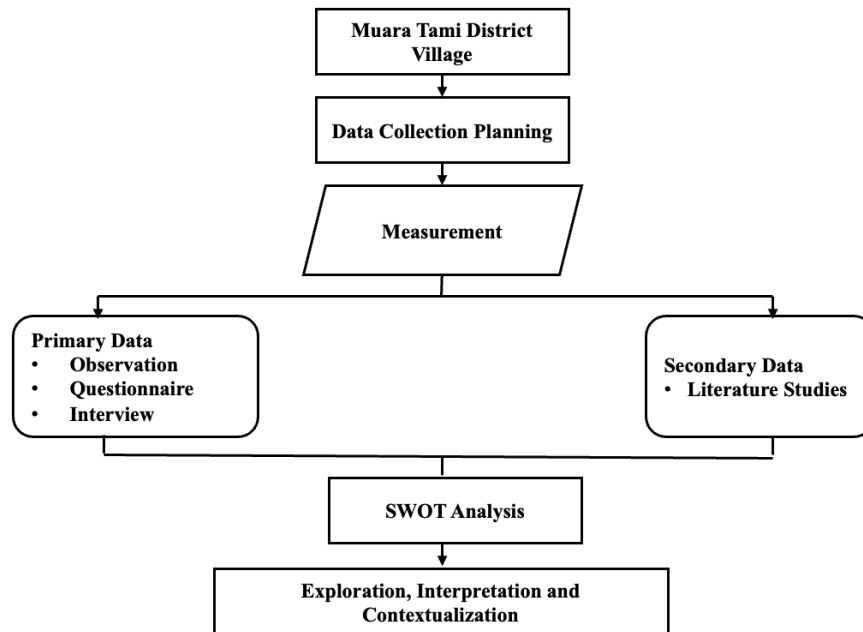


Figure 1. Analysis Stages

## RESULTS AND DISCUSSIONS

### *Condition of Muara Tami District*

Muara Tami District is one of four districts that are part of the administrative area of Jayapura City, Papua Province. In fact, at the beginning of the development of Jayapura City, the Muara Tami District area was included in the Abepura sub-district area. However, in 1994, there was an expansion of the area so that it was divided into two areas, namely Abepura District and Muara Tami Preparatory District. Then in 1996 through a decree stated in Government Regulation Number 65 of 1996, Muara Tami was designated as a sub-district and inaugurated by the Governor of Level 1 Regional Head of Irian Jaya Province (now Papua) on February 27, 1997 (Mantundoi et al., 2021). And changed the previous name and status, namely Muara Tami District to Muara Tami District. Based on administration, Muara Tami District has a map of the area into two sub-districts and six villages. The area has various geographical conditions ranging from lowlands, coasts to highlands or hills. With an area of 1,057.62 km<sup>2</sup>, with a range of 70% being cultivated areas and a range of 30% being non-cultivated areas consisting of swamp areas and protected areas (BPS Indonesia, 2023).

### *MSME Activities in the Village Area of Muara Tami District*

Skouw Yambe, Skouw Mabo, Skouw Sae and Mosso villages are four village areas that are included in the Muara Tami District area. The activities of the village community in their livelihoods are still closely related to agriculture, breeders and fishermen. Even so, there are some parts of the community who act as entrepreneurs in the MSME industry who are engaged in each field of expertise. The products produced and traded are VCO (*virgin coconut oil*) products, noken bags, Papuan accessories, craftsmen and *cocopeat*. Business activities are carried out directly by the indigenous Papuan community (OAP). Community activities as MSME actors are also supported by the formation of business groups that are able to help for every improvement in an effort to develop businesses and sell products sustainably.

The source of materials used by the community in making products comes from the area where the community lives, because the natural resources (SDA) available in villages in Muara Tami District,

especially Skouw Yambe, Skouw Mabo, Skouw Sae and Mosso villages, have an abundant amount and come from the community's own land. This is the right use because people are able to take advantage of their potential by producing qualified products. The formation and development of public interest in entrepreneurship is encouraged by related agencies that provide descriptions and training in accordance with what is the interest and belonging of the community. Community business activities are still running with the addition of products as a sign that product sales by the community continue to run accordingly

### SWOT Analysis Results

#### IFE Matrix Analysis

The IFE (*Internal Factor Evaluation*) matrix is applied with the aim of determining the influence of the magnitude of internal factors in villages in Muara Tami District. The IFE matrix describes internal conditions that include strengths and weaknesses whose calculations are based on weights and ratings.

Tabel 1. Matriks IFE (*Internal Factor Evaluation*)

Internal Factors	Weight	Rating	Score
<b>Strength</b>			
1. High entrepreneurial interest	0,25	3,71	0,94
2. Natural resources (SDA) are abundant	0,24	4,00	0,98
3. The existence of entrepreneurial groups	0,27	3,71	0,99
4. Become an observer development area for related agencies/organizations	0,24	3,71	0,88
<b>Total</b>		<b>15,1</b>	<b>3,78</b>
<b>Debilitation</b>			
1. Low HR capacity	0,14	3,29	0,47
2. The product is still of standard quality	0,14	2,57	0,35
3. Low access to capital	0,15	3,71	0,56
4. Low information technology literacy	0,15	3,71	0,56
5. Limited marketing	0,13	2,86	0,37
6. Facilities and infrastructure are not adequate	0,14	3,00	0,41
7. Do not have a business license	0,15	4,00	0,60
<b>Total</b>		<b>23,1</b>	<b>-3,33</b>
<b>Total IFE</b>	<b>1</b>		<b>0,45</b>

Source: Data processed, 2024

In table 1, it can be seen that for the category of strength with the first order owned by business actors in villages in Muara Tami District is located in the existence and formation of business groups with a score of 0.99. Then the strength in second place is abundant natural resources (SDA) with a score of 0.98. The third place with a weight score of 0.94 is owned by high entrepreneurial interest and the last area that is a concern in the development aspect by government and non-government agencies has a score weight of 0.88.

In the first weak category, it is inhabited by the absence of a business license with a score of 0.60. The second and third places, namely low access to capital and low information technology literacy, have the same score of 0.56. The fourth place is low human resource capacity with a score of 0.47. Furthermore, for the fifth place, namely facilities and infrastructure are inadequate with a score of 0.41. Then the sixth place is limited marketing with a score of 0.37, and finally in seventh place, namely products are still of standard quality with a score of 0.35.

#### EFE Matrix Analysis

The EFE (*External Factor Evaluation*) matrix was applied with the aim of determining the influence of the magnitude of external factors in villages in Muara Tami District. The EFE matrix describes external conditions that include opportunities and threats whose calculations are based on weights and ratings.

Table 2. EFE (External Factor Evaluation) Matrix

Internal Factors	Weight	Rating	Shoes
<b>Chance</b>			
1. Closer to the border area of the Republic of Indonesia - PNG	0,36	3,71	1,34
2. Cheap product prices	0,30	3,71	1,11
3. Have access to export	0,34	3,43	1,17
<b>Total</b>		<b>10,9</b>	<b>3,62</b>
<b>Threat</b>			
1. The rise of online marketing	0,26	3,14	0,82
2. Natural resources and human resources are utilized by parties outside the village.	0,25	2,29	0,58
3. Lack of interest in MSME products produced by local communities.	0,22	2,71	0,61
4. People easily give up in working with MSMEs.	0,26	2,29	0,60
<b>Total</b>		<b>10,4</b>	<b>-2,61</b>
<b>Total EFE</b>	<b>1</b>		<b>1,01</b>

Source: Data processed, 2024

In table 2, it can be seen that for the category of opportunities that can be utilized, there is in first place, namely the village area close to the RI-PNG border area with a score of 1.34. Then the opportunity in second place is to have access to exports with a score of 1.17 and the last in third is the price of cheap products with a score of 1.11.

Furthermore, for the category of threats that need to be watched out for, the first is the rampant online marketing with a score of 0.82. The second is the lack of interest in local MSME products produced by the community with a score of 0.61. The Ministry of Agriculture ranked third, namely that people easily give up in working with MSMEs with a score of 0.60, and the last order, namely natural resources and human resources are used by parties outside the village with a score of

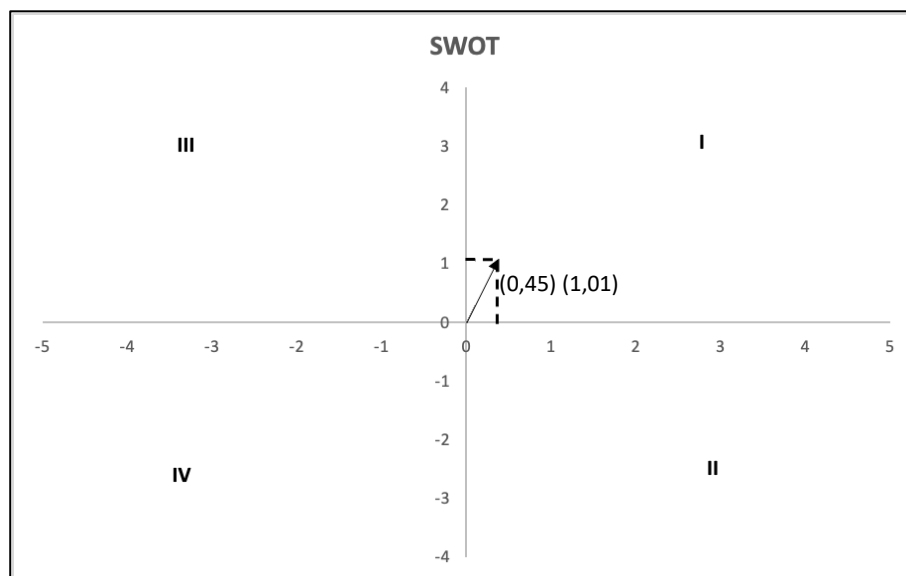


Figure 2. SWOT Analysis Quadrant Diagram

0.58.

The results of the analysis shown in figure 2 above illustrate that the position point for business actors in villages in Muara Tami District is in quadrant I (one) of the SWOT analysis diagram. In the position of quadran I, it is explained that business activities as well as business actors have opportunities and strengths. This indicates that business activities in villages in Muara Tami District



have the possibility to expand market share as a step in the development of business activities. The strategy that needs to be followed up in this condition is to support aggressive growth policies or growth *strategies* by using and utilizing available internal strengths and opportunities.

After conducting observations, direct interviews, giving statements through questionnaires, and documentation, results were obtained regarding the strengths and opportunities for the OAP community who work as MSME actors which are presented in the SWOT matrix as listed in Figure 3.

<div style="text-align: center;"> <div>FACTOR INTERNAL</div> <div>FACTOR EXTERNAL</div> </div>	STRENGTH (STRENGTH)	WEAKNESS
	1. High entrepreneurial interest 2. Abundant Natural Resources (SDA) 3. The existence of business groups 4. Become a development area for observers of related agencies/organizations.	1. Low HR capacity 2. The product is still of standard quality 3. Low access to capital 4. Low information technology literacy 5. Limited marketing 6. Facilities and infrastructure are not adequate 7. Do not have a business license
OPPORTUNITY (OPPORTUNITY)	SO STRATEGY	WO STRATEGY
1. The location is close to the RI-PNG border area 2. The price of the product is relatively cheap 3. Have access to export.	1. It is necessary to form an even larger MSME community by providing assistance and intensive trainings that are in accordance with the interests and expertise of the village community in Muara Tami District considering the location adjacent to the Indonesia-PNG border tourist area. 2. Efforts to create products at more affordable prices because the raw materials for products are found in their own regions. 3. Facilitating farmer groups or businesses in terms of equipment and funding. 4. Creating convenience for the MSME community to be able to export to the PNG country.	1. The human resource capabilities of the village community in Muara Tami District need to be improved carefully and according to the target. 2. Provide attractive product displays at affordable prices 3. Utilize technology media as a local marketing medium as well as export marketing
THREATS (WARNING)	ST STRATEGY	WT STRATEGY
1. The rise of online marketing 2. Natural resources and human resources will be utilized by parties outside the village. 3. Lack of interest in MSME products produced by local communities. 4. People easily give up in doing MSME business.	1. There must be a farmer group or business that understands the local community. 2. There needs to be innovation in local products in order to compete with foreign products. 3. There is a need to update the quality of human resources as MSME actors. 4. Business groups need to carry out a series of activities in an effort to introduce products more widely and increase the durability of MSME actors.	1. Creating 1 website-based application to become a forum for local MSME actors. 2. Provide funding and understanding of <i>product knowledge</i> 3. Facilitating local MSMEs starting from funding and facilities.

Figure 3. SWOT Matrix

### Strength

Based on the results of the SWOT analysis research above, the following results were obtained in the internal factors for the stress (strength) category:

#### 1. High Entrepreneurial Interest

The desire to do business can be seen in the soul and character of the village community in Muara Tami District. This is evidenced by the active participation of the community when participating in training and business formation carried out by related agencies. The formation of entrepreneurial interest is one of the main factors for the development of the number of entrepreneurs in a region (Apriani et al., 2023)

#### 2. Abundant Natural Resources (SDA)

The potential of natural resources in villages in Muara Tami District has an unlimited amount both in terms of agriculture and fisheries. This makes it very easy for the community to have the availability of raw materials as the main ingredient in making business products carried out by the community as MSME actors. Historically, natural resources have been an important development factor in the development process of a region or country (Bakar, 2020)

#### 3. The existence of business groups

The existence of business groups is formed as a form of encouragement to increase the number of MSME actors, strengthen the economy of business members, facilitate access to resources, create new jobs, and can help other members in carrying out business activities. Joint business groups

can form cooperation between business actors to overcome the problems encountered and be able to increase creativity and innovation from each business development formed (Yasin, 2015)

4. Becoming a Development Area

The Muara Tami District area is often an area that is given attention by the government in the context of development. Because Muara Tami District is the only district adjacent to the RI-PNG border area, which tends to be a tourism area for local tourists and those from outside the region (Sulistiani et al., 2023)

*Weakness*

Based on the results of the SWOT analysis research above, the following results were obtained on internal factors for the weakness category:

1. Low human resource capacity

The ability of MSME actors in terms of communication, leadership, business management, business ethics, providing services to consumers, product design and knowledge as well as mastery of information technology are still considered very low. Because this is what results in the businesses owned by MSME actors in villages in Muara Tami District not being able to create creativity and innovation in developing the business they run (Nawang Sari et al., 2023).

2. The product is still of standard quality

Products produced by MSME actors still do not have quality standardization and quality control, this is because MSME actors do not pay more attention to product packaging to be made as attractive as possible and consistency to maintain product quality also needs to be pursued by business actors.

3. Low access to capital

In fact, the village community in Muara Tami District has a place to live based on the hereditary heritage given by their predecessors and the distribution of land that follows certain customs and customs. So that the community does not have a legal letter indicating that the land they live on belongs to the community. This is what makes it difficult for business actors to obtain assistance in the form of loans from banks as additional capital to develop their businesses. In addition to land certificates, bank trust, financial management and financial management between family finance and business finance that are not separated are also obstacles to the proper acquisition of capital (Andrei et al., 2016).

4. Low information technology literacy

The ability of MSME actors to utilize technology is still very low. Stuttering entrepreneurs are relatively stuttering and are not used to using technology media as an effort to develop their business optimally. The ability to use technology media is one of the characteristics of entrepreneurial development (Gontareva et al., 2018).

5. Limited marketing

The scope of marketing is still low in terms of its dissemination. The majority of business actors still use conventional methods, do not implement promotions, use social media that is only one media, and cooperation is carried out waiting for an exhibition or festival to be held in the local area. This results in difficulties for MSME actors in developing their businesses by targeting potential consumers (Olanrewaju et al., 2020).

6. Facilities and infrastructure are not adequate

Development that has not been maximized is also an obstacle in the business development process. There is no availability of the necessary machines as a support for product manufacturing. For example, the difficulty for business actors for Virgin Coconut Oil (VCO) products is the unavailability of equipment to process coconuts into the required materials. Business actors still rely on human labor as a tool to obtain materials.

7. Do not have a business license

The majority of business actors have not been equipped and have legal entity letters which include a Trade Business License (SIUP), Business Identification Number (NIB), and NPWP.

*Opportunity*

Based on the results of the SWOT analysis research above, the following results were obtained in the internal factors for the opportunity category:



1. Location close to the border area of the Republic of Indonesia - PNG  
The village in Muara Tami District is the only district that is directly adjacent to the RI-PNG state border area. Border areas are often used as tourism areas for local tourists and tourists from outside Papua. So that this can be an added value as an opportunity for business actors to easily distribute their products to consumers.
2. Cheap product prices  
The source of raw materials for the manufacture of products is obtained directly not far from the people's own residences. The ease with which commodities are processed into raw materials makes the price of each product affordable so that it is easy to consume and enjoy by every consumer.
3. Easy access for export  
The availability of local markets in border areas makes it easier for business actors to market their products by exporting. Local markets in border areas are often visited by tourists and Papua New Guineans directly who want to make buying and selling transactions. The reason is that the sale of community products is easy to do both by selling directly and trying to sell by exporting.

#### *Threats*

Based on the results of the SWOT analysis research above, the following results were obtained in the internal factors for the threat category:

1. The rise of online product marketing  
The development of technology in today's world has made the sales system that was previously conventional now switch to using digital media (*online*). The number of business actors who are now switching to digital marketing is a threat to business actors in the village of Muara Tami District who are still dominant in using the conventional sales system.
2. Natural Resources (HR) Utilized by Parties Outside the Village  
The number of business actors in the village of Muara Tami District is still inferior to the people who work as farmers and fishermen. The abundance of available human resources is more targeted to be sold to people outside the village rather than used as materials for making other business products.
3. Lack of interest in community MSME products  
As a result of marketing that is only conventional, the products sold are not able to achieve appropriate market segmentation. Sales are only made in the surrounding environment or when an event such as a festival held by the local government is being held. Of course, this is an inappropriate step to maintain product sales if it is not included with a sales mechanism by following current developments.
4. Easy to give up  
Difficulties in obtaining additional capital, lack of product innovation and creativity, licensing problems and other problems have become a separate concern for business actors in Muara Tami District which results in a decrease in consistency from business actors (Naumann, 2017).

#### *Discussion*

##### *Potential for MSME Independence*

The results of the analysis using SWOT analysis to determine the potential for MSME independence in the village community in Muara Tami District, are described in several important points as follows: **First**, MSME actors in Muara Tami District, especially in the villages of Skouw Yambe, Skouw Sae, Skouw Mabo and Mosso Village, have several business activities carried out by the indigenous Papuan people who live there. Natural Resources (SDA) owned by villages in Muara Tami District are abundant so that they are able to provide added value to life for their people (Mikhno et al., 2021). Knowledge to manage existing natural resources is obtained through trainings provided by local governments as an effort to develop a prosperous society in a sustainable manner (Daspit et al., 2023).

Second, the data was poured into the SWOT matrix and an overview of internal factors (strengths and weaknesses) and external factors (opportunities and threats) of MSME activities in villages in Muara Tami District was obtained. The strengths it has are high interest in entrepreneurship, abundant natural resources, the formation of business groups, and becoming a central development

area because of its location in the border area across Indonesia and Papua New Guinea (PNG). Then the weaknesses are that the community's capabilities are still low, the products produced are still of standard quality, access to capital is low, lack of technological literacy, limited marketing, inadequate facilities and infrastructure, and there is no business legality. Furthermore, the opportunities that are owned include village areas adjacent to the border area of the Republic of Indonesia and Papua New Guinea (PNG), product prices are fairly cheap and have access to export products. And the last is the threat, namely the rampant online marketing that the community is unable to utilize, natural resources that are used by outsiders, lack of interest in buying products produced by local communities and the attitude of people who easily give up in doing their business.

Third, the results of data acquisition in the form of an overview of internal factors (strengths and weaknesses) and external factors (opportunities and threats) were calculated by matrix analysis using weights and ratings which were poured into tables 1 and 2, which were then summarized in the results of the SWOT analysis quadrant chart to describe the position of MSME activities in the community in the village in Muara Tami District. From the results of the quadrant diagram, it was obtained that the location of business activities was in quadrant I (one) which means that MSME activities have the advantage of being able to develop and be carried out sustainably because the strengths and opportunities can be utilized optimally by overcoming existing weaknesses and threats (Barbier, 1987).

Fourth, based on the results of data analysis using SWOT, it can be explained that MSME activities in villages in Muara Tami District, especially business actors of indigenous Papuans, have the potential to stand independently to carry out their business activities. This can be seen from the strength it has and the opportunity to be used by the local community. However, for now, the community still needs assistance from the government and related parties to be able to carry out business activities for a long time. Because the weaknesses and threats that exist are still a challenge that needs to be faced by the community in order to survive (Ribeiro-Soriano, 2017).

#### *Strategy Analysis*

Based on the results of the identification of external factors and internal factors of MSMEs in villages in Muara Tami District, it was found that the problems faced by business actors were in the category of basic problems (*basic problems*). Problems in MSMEs include three categories that generally occur to business actors in developing their businesses, namely: 1) *Basic problems* (basic problems), 2) *Advanced problems* (Follow-up problem), and 3) *intermediate problems* (intermediary problem) (Kementrian Perdagangan, 2013). *Basic problems* covering fundamental problems, namely related to capital problems, human resources (HR), access to marketing, legal entities, and product development processes. Next *advanced problems* It includes problems related to the introduction and understanding of the export market, both from the aspects of sales procedures and regulations applicable to the export destination country. Then *intermediate problems* Includes problems that mediate between basic problems and advanced problems, meaning the ability of agencies to solve basic problems so that they can solve advanced problems (Gans et al., 2019).

SWOT matrix analysis for SO strategy, to be able to maximize the strength by taking advantage of the opportunities that exist in villages in Muara Tami District, it can be done by forming a strategy as an effort to help MSME actors create and have independence in running their businesses. With the results of the identification of strengths and opportunities, the strategies that can be applied from both business actors and the government are: 1) the need for the formation of an even larger MSME community by providing assistance and intensive trainings in accordance with the interests and expertise of the village community in Muara Tami District considering the location adjacent to the RI-PNG border tourism area, 2) efforts to create products at more affordable prices because the raw materials for products are obtained from their own areas of residence, 3) facilitating farmer groups or businesses in terms of equipment and funding, and 4) creating convenience for MSME communities to be able to carry out export activities to Papua New Guinea (PNG).

SWOT matrix analysis for WO strategy, judging from the results of the identification of weaknesses and opportunities owned by MSME actors in villages in Muara Tami District, strategies that can be applied from both business actors and the government are: 1) the capabilities of human resources (HR) of the community need to be carefully improved and according to the targets, 2)

training in providing attractive product displays at affordable prices, and 3) creating the ability of the community to utilize technology media as a local marketing tool as well as export marketing (Venables, 2016).

SWOT matrix analysis for ST strategy, in the results of the identification of strengths and threats, it can be explained that there is a need for the use of forces used to overcome the threats faced by MSME actors in villages in Muara Tami District. Therefore, strategies that can be applied in business development efforts by minimizing threats are: 1) improving the quality of business groups that understand the problems experienced by business actors, 2) increasing innovation in local products so that they can compete with foreign products, 3) updating the quality of human resources of business actors, and 4) the need for a series of activities to introduce the results of community products more widely so that they can increase durability MSME actors (Prasetyo, 2020).

SWOT matrix analysis for WT strategy, based on the results of identifying weaknesses and threats owned by MSME actors in villages in Muara Tami District, strategies can be formed in an effort to minimize weaknesses and overcome the threats faced. The strategies that can be applied both from business actors and government support to create business independence are: 1) creating a system or application as a forum for MSME actors to introduce products more widely, 2) providing funding assistance and understanding of product knowledge, and 3) facilitating local MSME actors in terms of funding, facilities and infrastructure (Candraningrat et al., 2021).

## CONCLUSION

Based on the results of the research that has been presented in the results and discussion above, conclusions can be drawn about the potential independence of MSME actors consisting of several important points as follows:

1. Independently, MSME actors in villages in Muara Tami District have the potential to develop their businesses.
2. In the results of the SWOT matrix, MSME actors are in quadrant I (one) which indicates the existence of strengths and opportunities that can be utilized by the community, government, NGOs and related organizations to be able to develop MSMEs in villages in Muara Tami District to be able to develop optimally with the goal of community welfare.
3. The problems faced by MSME actors in villages in Muara Tami District lie in *basic problems* which include capital addition, low human resource capabilities, legal entity forms and marketing access.
4. The potential and strength of MSME actors in villages in Muara Tami District is considered very promising to be able to increase community income as business actors. However, if weaknesses and threats are not able to be overcome, it will have an impact on decreasing people's income and it is possible that people will stop carrying out economic activities as entrepreneurs.

There needs to be a serious government in overcoming existing shortcomings. For example, the government needs to provide easy access to the public in obtaining additional capital, improve marketing channels, develop human resource capabilities by improving their quality, provide consistent training to follow the needs of MSME actors, improve product quality and carry out continuous supervision as an effort to maintain the existence of MSME products to consumers.

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