The Influence of Regional Social and Geographic Interaction on the Development of Micro Business Interest in Bakunase II Subdistrict, Kupang City

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Abstract

The research was conducted in the Kupang city area, specifically in the Bakunase II sub-district, because the low number of entrepreneurships can also encourage various economic and social problems, one of which is poverty. Geographical interaction (regional interaction) also has a significant role aimed at knowing the locations taken into account in regional economic studies and the interactions that occur between them influencing the speed of regional development. This research aims to determine whether strong interactions will encourage economic development and business development as well as economic equality in each region in the city of Kupang using Nearest Neighbor Analysis. The method used in this research is descriptive quantitative method. The results of this research are that the geographic interaction distribution pattern has a positive and significant effect on interest in entrepreneurship with the percentage of micro businesses amounting to 54 units or 96.43%, small businesses amounting to 2 units or 3.57% and medium businesses amounting to 0 by looking at the most dominant distribution of goods. comes from Oebobo District with a percentage of 39.29%. distribution of Micro, Small and Medium Enterprises (MSMEs), Population Distribution Map, and Goods Distribution Map.
Keywords: Economic Development, Bakunase II, UMKM.

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1. Introduction

Entrepreneurship is an absolute must for every country. The importance of entrepreneurship can be seen from the magnitude of its benefits and contribution to economic growth. This is in line with Kurniawati & Abeng, (2023) where he explained that entrepreneurship can encourage job creation and reduce unemployment. In line with this, Lee & Rodríguez-Pose, (2021) also emphasized that entrepreneurship can reduce poverty rates, encourage increased income and can encourage meeting the needs of a region. Based on the explanation above, it can be concluded that entrepreneurship has a vital role in encouraging the development of a country. The size of this role is also determined by the number of entrepreneurs in a country. This can be seen from the lagging behind the percentage of Indonesian entrepreneurs compared to various countries. The Indonesian entrepreneurship ratio is calculated at 3.47%, this value is relatively low even when compared to several other countries in ASEAN, namely Thailand 4%, Malaysia 4%, and Singapore 8.9%, and developed countries have reached 12% (Meliani & Panduwinata, 2022).

The same thing also happens in various regions in Indonesia, one of which is the city of Kupang. Low entrepreneurship rates can also encourage various economic and social problems. One of them is poverty, where in March 2022 there will still be a percentage of the poor population of 9.54% or 26,161.16 thousand people (BPS, 2020). The same thing can also be seen in the city of Kupang, where this city ranks first with the highest unemployment rate in NTT province.

One of the right solutions is developing interest in entrepreneurship, which according to Sutomo (in Indriyani & Subowo, 2019) Developing an interest in entrepreneurship from an early age is one of the right steps to spur and encourage the number of entrepreneurs and provide a solution to various economic problems. Based on the process, the development of interest in entrepreneurship is greatly influenced by various factors so it is important for us to understand these factors. This is done so that we can stimulate and spur interest in entrepreneurship through its forming factors. One theory that focuses on developing interests is explained by Ajzen, (2005) Where he explained that interest development is based on the theory of planned behavior. This theory explains that interest is influenced by background factors (personal, social and information) which will form behavioral beliefs, normative beliefs and control beliefs, which will encourage attitudes toward the behavior, subjective norms and perceived behavioral control and will influence intentions and actions. we usually do. A brief overview of this theory is explained in the following image:
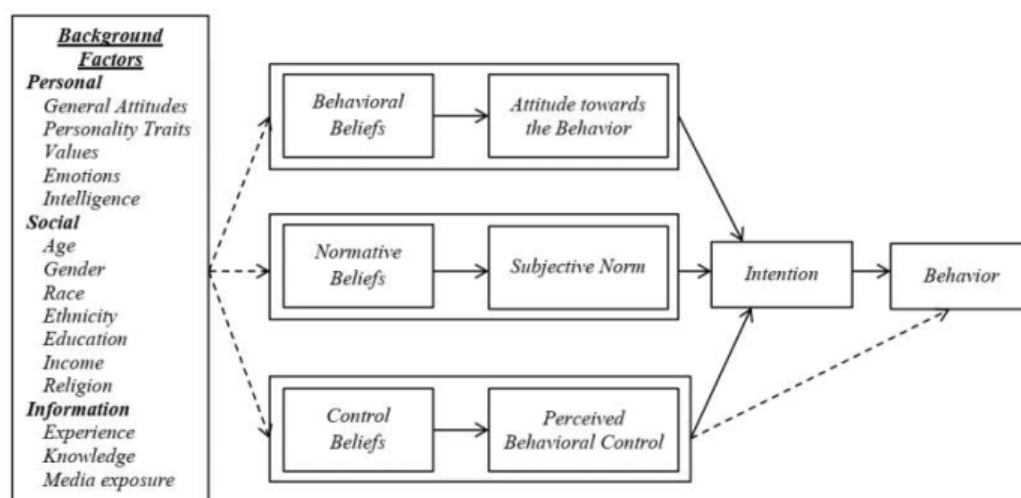

Figure 1. Theory of Planned Behavior (TPB)

In the theory above, each variable has a strong role in encouraging the development of interest in entrepreneurship. The first variable is social interaction. Social interaction which is an external factor where social interaction is a social creature, to live their lives humans need help from other humans, therefore humans carry out social interactions (Hermansyah et al., 2010) because if someone has good social interactions, their ability to work together both individually and in teams will also be good and vice versa. In line with this, interest in entrepreneurship will be high, because interest in entrepreneurship will arise if someone often engages in social interactions in the surrounding environment (Emalia & Farida, 2018).

Correspondingly, geographical interactions (regional interactions) also have a particularly significant role in the process. Meanwhile, the spatial or spatial interaction process is a reciprocal relationship that influences each other between two or more regions which can give rise to new symptoms, appearances or problems, because regions are a regional economic study where the interactions that occur within them will influence the speed of development of the region concerned. One real form is as explained by Arman et al., (2016) where geographical interactions influence various trade activities, goods delivery activities and various other community activities. In addition, geographic interactions and conditions will influence how various natural resources are available in society (Nurhamsyah et al., 2024)(Arman et al., 2016)

The picture above is strengthened by various studies that explain the close relationship. Emalia & Farida, (2018) explained that strong interaction will encourage the economic development of each region. In line with that, geographical variables also have a significant contribution Aieny et al., (2020) where social interaction has a positive and significant influence on entrepreneurial interest. Apart from that, she also emphasized the need for improvements in various social environments so that good interactions are formed.

The process of social interaction is action towards something based on meaning (Putri et al., 2024). The meaning focuses on something that comes from interactions between a person and each other, where the meaning is not fixed but can be changed, changes to the meaning can occur through the interpretation process that people carry out when they encounter something (Yudiarti et al., 2018).

Social interaction can occur when there is social contact and communication between two individuals or groups. Social contact is the first stage of social relations. Communication is the delivery of information and the provision of interpretations and reactions to the information conveyed. In the process there are several things that can become sources of information in communication or social interaction. Sources of information can be divided into two, namely physical characteristics and appearance (Irma et al., 2023). Physical characteristics are everything an individual has since birth which includes gender, age and race. Appearance here can include physical attractiveness, body shape, clothing appearance, and discourse.

Based on this description, the role of social interaction can also be seen from its various roles, namely Dewi et al., (2023) where he explains that social interaction will influence various economic activities (production, distribution and consumption) (Esti Utami & Udayana, 2022), influencing various formation of business entities and encouraging entrepreneurial development (private and public) (Aieny et al., 2020) and influencing conditions and inequality in society. The same explanation was also explained by Nugraha, (2009) where he explained that social interaction can also influence various activities through various participation, management and supervision. The purpose of this research is to discuss three sub-topics related to the main title of the research. These three sub-topics are: (a) discussion of the potential for growth of UMKM areas (b) discussion of the distribution of occupation which influences social interactions, (c) discussion of patterns of distribution of goods. Based on the explanation and explanation above, researchers are interested in researching the influence of regional social and geographic interaction on the development of micro business interest in Bakunase ii subdistrict, Kupang

city

2. Method

The research location is in Bakunase II Village, Kupang City. The choice of this location was based on the results of initial observations regarding population size and concentration. The Bakunase II Village area is a supporting area for the city center in several fields, including as a supplier of main materials in the agricultural sector and the main transportation route for the economy. Researchers use Geographic Information Systems in analysis which have the ability to connect various data at a certain point on the earth, combine them, analyze them, and finally map the results. Geographic Information Systems are a combination of the three main elements of systems, information and geography. Thus, understanding these three main elements will be very helpful in understanding SIG.
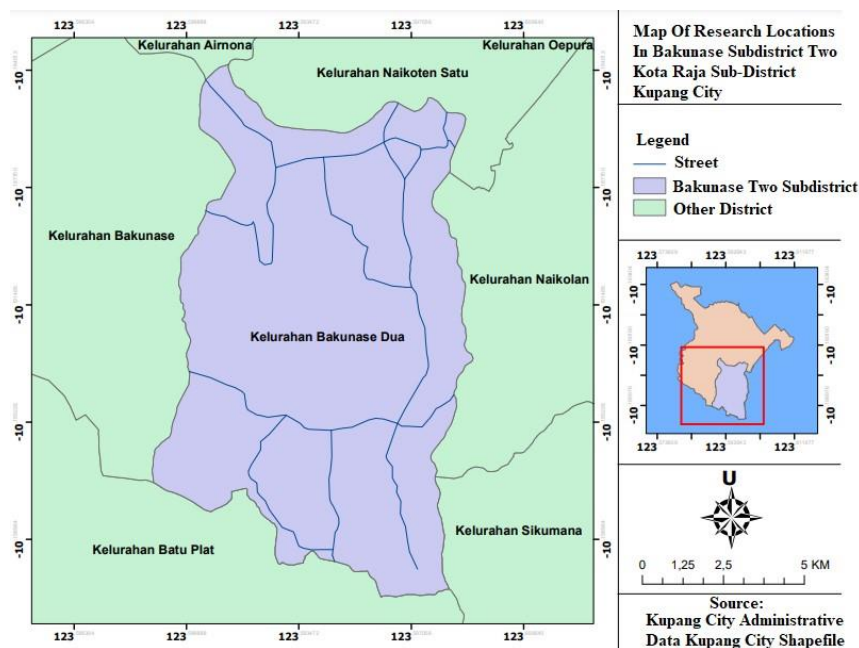

Figure 2. Research Location Map

This research uses a descriptive quantitative method with Nearest Neighbor Analysis (NNA), which is an analytical method that can be used to determine a distribution pattern, whether it is uniform, random or clustered. Nearest Neighbor Analysis or nearest neighbor analysis is an analysis used to explain the distribution pattern of location points using calculations that consider distance, number of location points and area area.
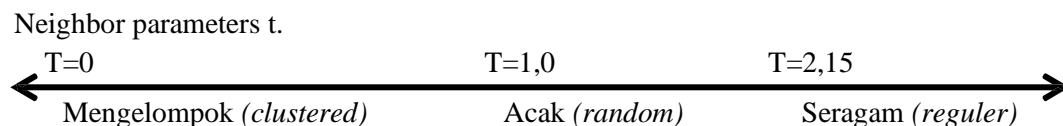

Figure 3. Parameter NNA
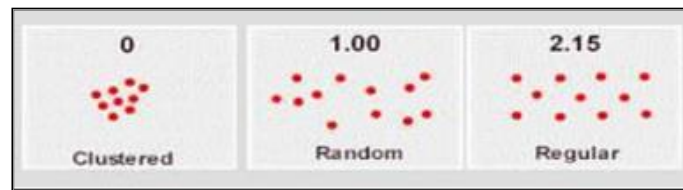Source : Arisca & Agustini, (2020)

Figure 4. Nearest Neighbor Analysis (NNA)
Source : Arisca & Agustini, (2020)

1. *Clustered*

   The distribution pattern is clustered if the distance between one location and another is close and tends to cluster in certain places, with an index value of 0 (zero). The distribution pattern is clustered, if the T value = 0 or the T value is close to zero.

2. *Random*

   The distribution pattern is random if the distance between one location and another is irregular, with an index value of 1 (one). The distribution pattern is random, if the T value = 1 or the T value is close to 1.

3. *Dispresed*

   Uniform/regular distribution pattern if the distance between one location and another is relatively the same, with an index value close to 2.15 (two point fifteen), Uniform distribution pattern, if the T value = 2.5 or close to 2.5.

   The following is an illustration of the researcher's train of thought which can be expressed in chart form:
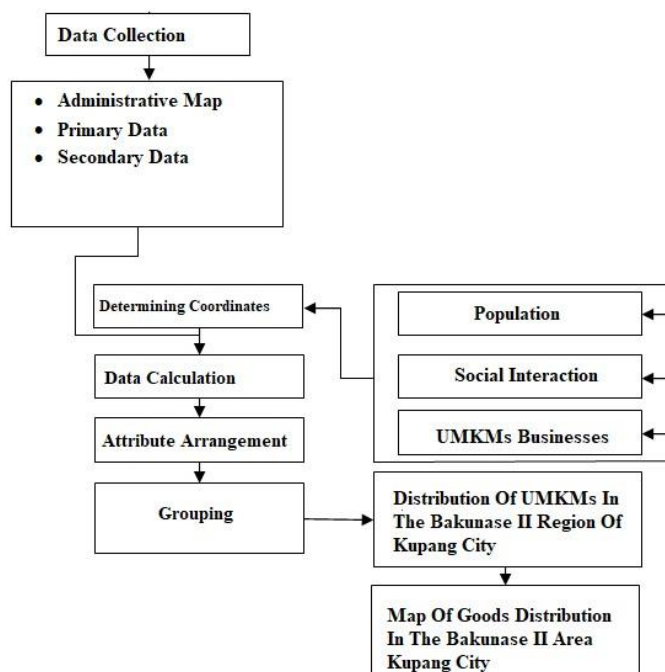

Figure 5. Overview of Research Flow

3. Results and Discussion

A. *Nearest Neighbor Analysis Results*

Based on the results of the study carried out in assessing the distribution pattern of MSMEs in Bakunase II Subdistrict, it shows that the distribution pattern of MSMEs falls into the Clustered classification. These results are based on processing results using Arcgis 10.8 software. The nearest neighbor ratio results obtained were 0.502589 with an average distance of 69.5990 meters and a z score of -7.120983 (figure 6).
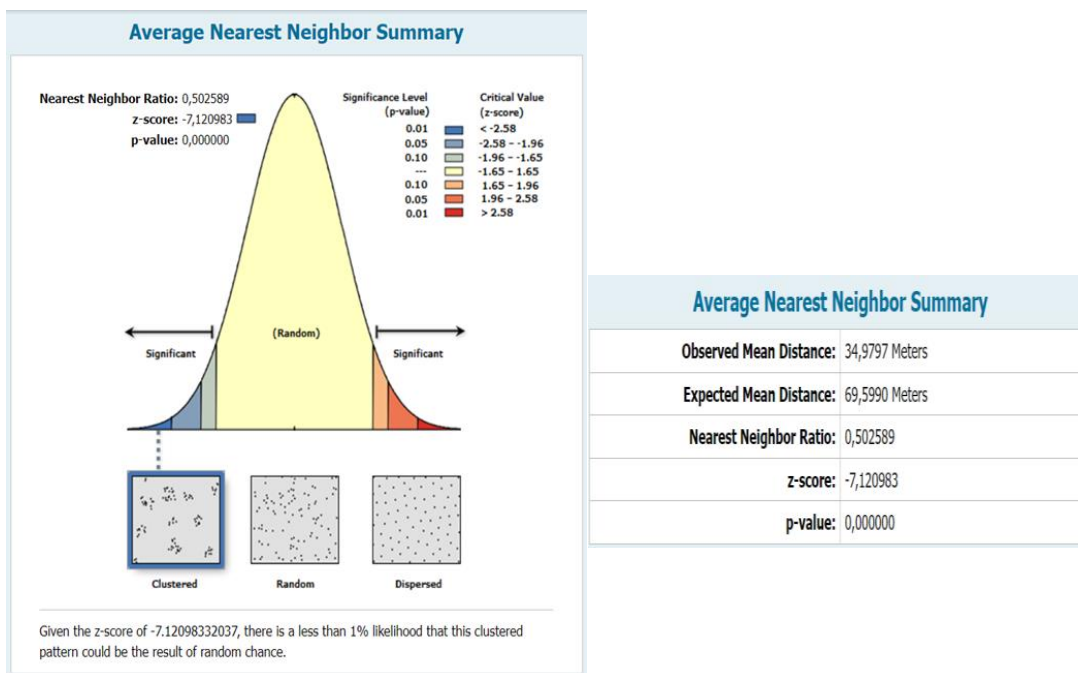

Figure 6. Nearest Neighbor Analysis Results

Based on nearest neighbor analysis, it is a study activity that uses analysis to determine a distribution pattern. In using this method, when the value:

T = 0 then it is known that the point pattern is clustered, if the value

T = 1.0 then the pattern of the object's points is random

T = 2.15 can be seen that the point distribution pattern is uniform.

Information:
T : Nearest Neighbor Analysis (NNA) Value

These results show that the distribution pattern of MSMEs over the area in Bakunase II Subdistrict is not quite evenly distributed, but this development needs to be seen from the classification of UMKM based on the categories of micro, small, medium and medium businesses and the distribution of their population. Based on the data taken during the research process, several information was obtained that supports the development of UMKM. The first information is presented in the following table:

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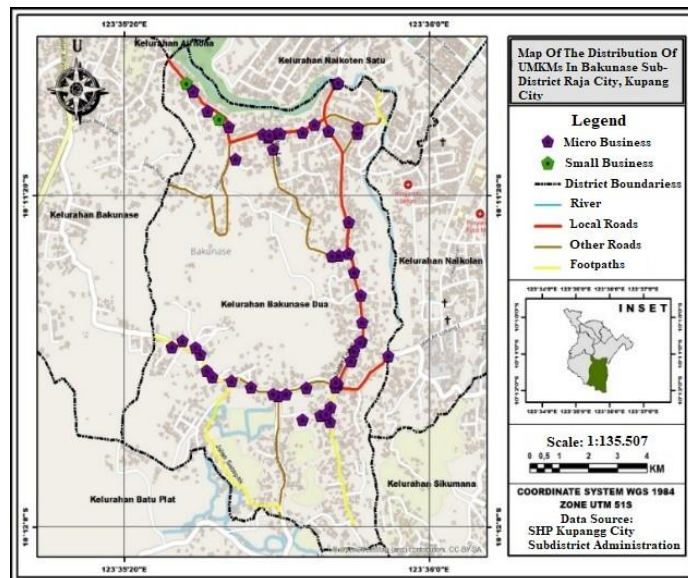
Figure 7. Map of UMKM Distribution in Bakunase II Subdistrict, Kupang City

Based on the map above, it can be seen that research conditions and access are quite good. This is proven by the large number of appropriate road access in the form of local roads, other roads, footpaths. This is an important factor in business development, where good access will encourage people's shopping interest and encourage fast distribution of goods. secondly, this research also explains how UMKM develop in the Bakunase II sub-district.

Based on Law Number 20 of 2008, the UMKM that will be studied in this research UMKM can be classified into three categories, namely:

1. Micro businesses which are productive businesses owned by individuals and/or individual business entities that have a net worth of a maximum of IDR 50,000,000.00 excluding land and buildings where the business is located, and have annual sales proceeds of a maximum of IDR 300,000,000.00 .
2. Small businesses are productive economic businesses that stand alone, carried out by individuals/business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part, either directly or indirectly, of medium or large businesses and have net assets of more than IDR 50,000,000.00 to IDR 500,000,000.00 (excluding land and buildings where the business is located, and has annual sales proceeds of more than IDR 300,000,000.00 to IDR 2,500,000,000.00 .
3. Medium Enterprises are productive economic enterprises that stand alone, carried out by individuals/business entities that are not subsidiaries or branches of companies that are owned, controlled, or are part, either directly or indirectly, of Small Businesses or Large Businesses and have net assets of more than from IDR 500,000,000.00 to IDR 10,000,000,000.00 excluding land and buildings where the business is located, and has annual sales proceeds of more than IDR 2,500,000,000.00 to IDR 50,000,000,000.00 .

B. *Discussion*

Based on the explanation above, the number of UMKM based on classification is presented in the following table

Table 1. Number of Bakunase II UMKM

Types of UMKM	Number of Businesses	Percentage (%)
Micro	54	96,43
Small	2	3,57
Intermediate	0	0
Total	**56**	**100**

Source : Data Analysis, 2023

Based on the table above, the number of UMKM in Bakunase II sub-district is 56 businesses. This number is dominated by micro businesses, where micro businesses amount to 54 units or 96.43%, small businesses amount to 2 units or 3.57% and medium businesses amount to 0. Third, this research also explains the distribution of UMKM in the Bakunase II sub-district. The details of the distribution of UMKM are presented in the following figure: it can be seen that there are 31 micro businesses or around 55.35% of the total business units spread across local roads. Apart from that, there are also 11 units or 19.64% of micro businesses located on other roads and finally there are 21 units or 21.42% of businesses located on footpaths. Meanwhile, the remaining 3.57 are small business units located on local roads. Fourth, this research also explains how the population is distributed. An overview of the population distribution can be seen in the following picture:
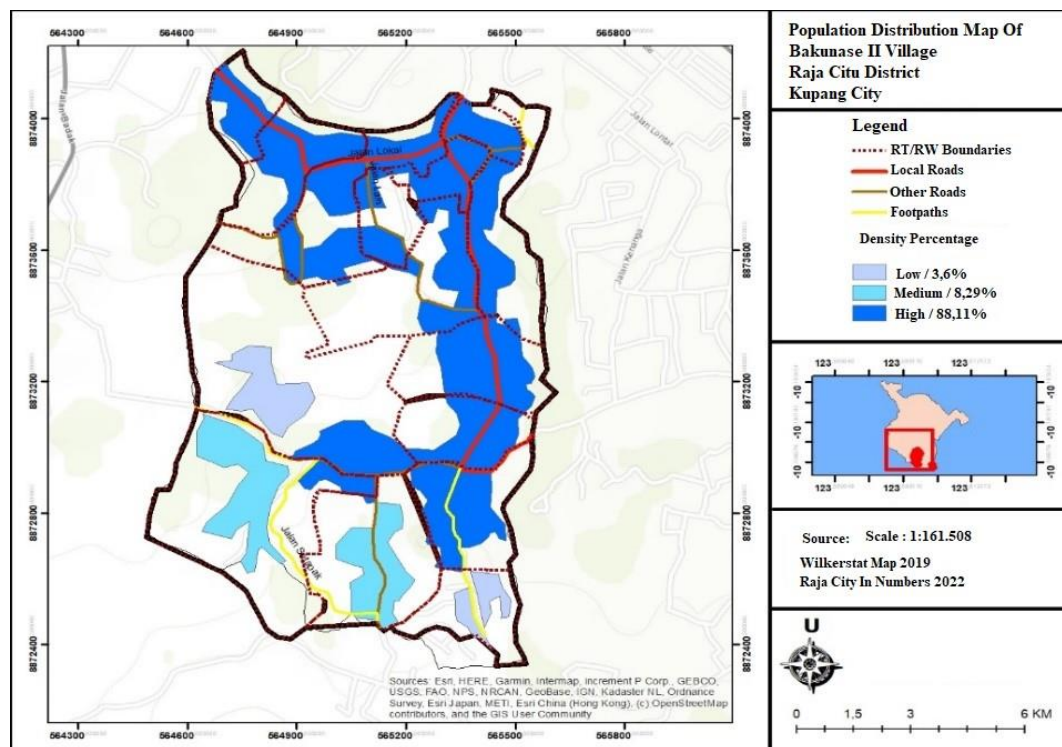

Figure 8. Population Distribution Map of Bakunase II Subdistrict

Based on the picture above, it can be concluded that the population distribution in Bakunase II sub-district can be said to be quite high. This can be seen in the color patterns distributed in the image, dominated by dark blue, which means high distribution. Apart from that, based on the picture above, population distribution tends to follow local road patterns or spread across all local roads. The percentage distribution of the population will be explained in the table below:

Table 2. Population Distribution of Bakunase II Village

Population Distribution	Area (Ha)	Percentage
Low	1,67	3,6 %
Currently	4,56	8,29 %
Tall	48,87	88,11 %
Total	**55,1**	**100**

Source : Data analysis, 2023

Based on the data collected, it is known that Bakunase II sub-district has a total area of 142 hectares with a population of 5034 people, so it can be concluded that the population density in Bakunase II sub-district is 35 people/hectare. Based on Table 2 and Figure 4, the population distribution in Bakunase II sub-district is divided into three classes, namely low, medium and high class. And the most dominant class is the high class with an area of 48.87 hectares and a percentage of 88.11%. Fifth, in this study the researcher also explained the distribution of goods (UMKM) in Bakunase II Village where an overview of the distribution can be seen in the following picture:
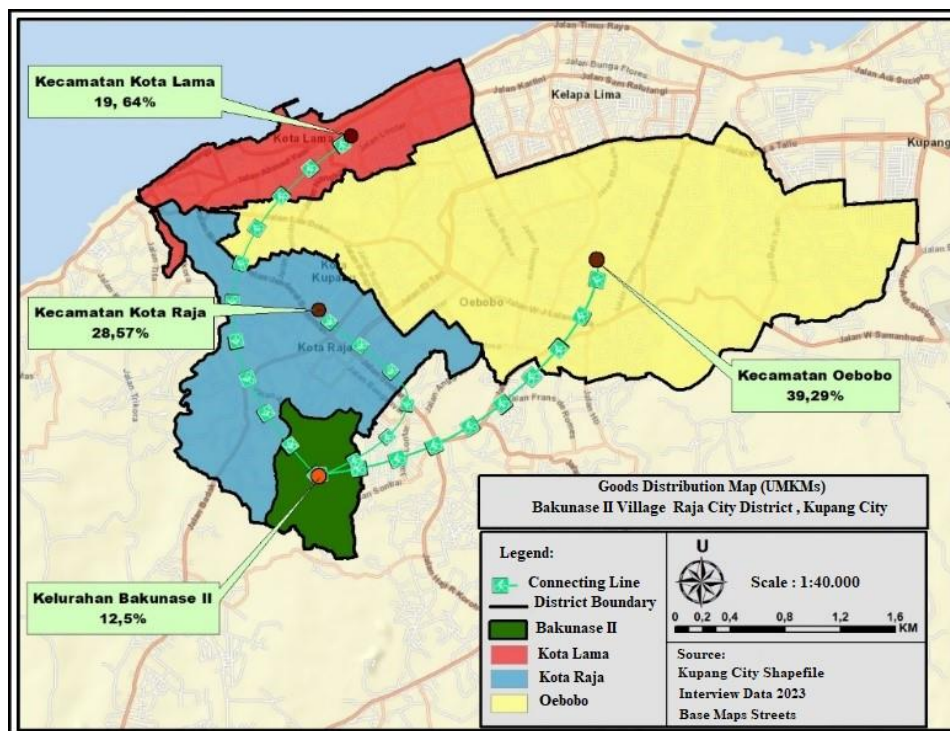

Figure 9. Map of Goods Distribution (UMKM) Bakunase II Village

Based on the presentation, the distribution of goods in Bakunase II Subdistrict comes from several subdistricts, namely Kota Lama Subdistrict, Kota Raja Subdistrict and Oebobo Subdistrict. The most dominant distribution of goods comes from Oebobo District with a percentage of 39.29%. The details of the distribution of goods are presented in the following table:

Table 3. Distribution of UMKM Goods Kel. Bakunase II

Distribution of UMKM Goods Kel. Bakunase II	UMKM Unit Kel. Bakunase II	(%)
Kec. Oebobo	22	39,29
Kec. Kota Lama	11	19,64
Kec. Kota Raja	16	28,57
Kel. Bakunase	7	12,5
Total	**56**	**100**

Source : Data analysis, 2023

Based on the explanation above, this research is in line with research by Arisca & Agustini, (2020) where in this research he explains that there are three distribution patterns, namely a clustered distribution pattern, a random distribution pattern, and a uniform distribution pattern (regular). This research also explains the conditions of social and geographical distribution, where according to Weya et al., (2020) quantitatively there is a large influence between social interaction and MSMEs. The same thing was explained by Santoso et al., (2020)where geographic location can help in the management, development and supervision of MSMEs. This is explained in more detail by Dewi et al., (2023) where businesses located in locations (geographical locations) that have good access and are supported by complete infrastructure will be more able to develop.

4. Conclusion

The potential of MSMEs in the Bakunase II sub-district area has received several analyzes including the distribution of UMKM in the Bakunase II sub-district which tends to follow the pattern of community distribution and public facilities, this really supports economic interaction (buying and selling transactions). Social interaction has a positive and significant effect on interest in entrepreneurship in the people of Kupang City, where good social interaction will encourage economic activity and can spur a person's interest in entrepreneurship. Geographical interaction has a positive and significant effect on interest in entrepreneurship in the people of Kupang City, where smooth and consistent geographic interaction can encourage economic activity and can spur a person's interest in entrepreneurship.

Based on these conclusions, the advice that can be given is that the government needs to pay attention to social conditions in the form of support, appreciation and fast administrative management so that it can help the development of business interest. Furthermore, in geographical interactions, all related parties are expected to be able to contribute to supporting good business conditions starting from security, suitability of facilities and easy information so that the public can know the location of economic activities well.

5. Acknowledgement

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