Positive effect on the development regional of the Karo Regency by creative economic basic honey UMKM

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**Abstract.** The tourism industry is a potential product that is seen as having an important role in national development, so it is not surprising that Indonesia pays special attention to the tourism industry. UMKM is an expected contribution from the private sector to improve the local and national economy. One of the MSMEs that deserves to be developed in the Lake Toba area is honey UMKM. Creative economy MSMEs have a great influence on regional development, especially in the empowerment of people who do not have a job. At least the individuals in the community can meet their personal needs and stay out of poverty. The role of MSMEs is to reactivate other sectors, such as distribution and transport services, production land rental services, the manufacturing industry to make production machines, the packaging industry, advertising services (advertising), the marketing and product brand design services. With the development of tourist villages in Karo Regency, it will become an attraction for domestic and foreign tourists and support creative industries in the surrounding area, such as UMKM honey. The contribution of the creative economy in the Indonesian economy and culture with socio-cultural diversity is a source of inspiration in the development of the creative economy in Indonesia. The results of honey production at Karo Regency and its partners are currently difficult to market outside North Sumatra province due to the unappealing and unhygienic quality of honey packaging and marketing patterns that are still traditionally.

**1 Introduction**

The concept of regional development is an effort to stimulate socioeconomic development, reduce disparities between regions, and preserve the environment in a region. Regional development is very necessary because the socioeconomic, cultural and geographical conditions are very different from one region to another.

One of the regional development activities in Indonesia can be done through the tourism sector. The tourism industry is a potential product that is seen as having an important role in national development, so it is not surprising that Indonesia pays special attention to the tourism industry.

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The current development of the tourism sector in the national economic development has strategic and prospective potential to be developed, in supporting foreign exchange earnings, expanding job opportunities and increasing people's income. According to the Government Regulation No. 51 of 2011 on the national tourism development master plan for 2010-2025 in article 2, paragraph 1, it is stated that the national tourism development includes tourism destinations, tourism marketing, tourism industries and institutions tourist.

Tourism development will provide motivation to the community through the establishment of Micro, Small and Medium Enterprises, this is based on the opportunities that are automatically created from tourism activities. Suwena and Widyatama [1], state that tourism development planning basically seeks a meeting point between the demand side and the supply side or, in other words, the realization of an adjustment between the needs of the demand side. /market and support for the development of the supply side. /tourism products or tourist destinations.

According to the development of tourism activities, MSME products are expected to become products that also have the potential to be creatively and innovatively developed so that the quality of MSME products can increase and compete in the national and international markets.

The Ministry of Commerce also identifies sectors that are included in the creative economy, namely: 1) Advertising; 2) Architecture; 3) Art Market; 4) Crafts (handicrafts); 5) Design; 6) Fashion; 7) Film, video and photography; 8) interactive games; 9) Music; 10) Performing arts; 11) Edition and printing; 12) Computer services and software; 13) Radio and Television; and 14) Research and Development. The creative economy tends to rely on the quality of human resources while the manufacturing industry is oriented towards the quantity of the product, so the creative economy appears more in the small and medium industry group [2].

The development of creative SMEs and tourism still has problems in terms of industry, technology, resources, institutions and financial/capital aspects in general, including lack of promotion of creative SMEs and local tourism, lack of human resources to manage creative SMEs and local tourism, low capital and existence of financial problems in creative SMEs and local tourism, lack of support from the local government for the development of creative SMEs and local tourism, use of technological equipment that can help support the production process in creative SMEs.

The development of the tourism sector in Karo Regency, North Sumatra province, will stimulate regional economic development. Another impact that it causes is the development of MSMEs and the opening of wide job opportunities for the surrounding community, other labor sectors related to the tourism sector will grow and develop. This refers to the development and growth of SMEs in Karo Regency, specifically in 2017 from 478 to 30,780 in 2019 BPS Karo Regency, 2020. The SME business unit will vary as a provider of tourism demand, both for goods and services. The development of SMEs in Karo Regency will also increase regional income.

Tourism development in Karo Regency can become a reliable economic activity, as a source of foreign exchange earnings, expand and equalize business opportunities and employment opportunities, especially for the local community, foster regional development and introduce nature, values and the culture of the nation. Tourism development in Karo Regency, North Sumatra province can be an economically felt added value for the surrounding community.

2 Research methods

This research was synthesized from several literatures by desk-study related to the topic study. Most of the literature used downloaded online through several sites provider of
scientific paper manuscripts (journal paper) such as Directory Open Access Journal (DOAJ), Crossreff, Academia.Edu, Science Direct, Google Schloar, Sinta and Research and Technolog. The number of articles reviewed was 30 consisting of journals, technical reports and handbooks, with a time span between 2013-2022, 47% of reviewed papers published in 2015-2020 and more than 95% of manuscripts are primary articles, namely publications from primary sources. Clustering carried out to facilitate the study, synthesis and implementation in agro-based industries commodities, as well as those related to regional development and creative economy for honey, and no less important is the initiation of future research topics future.

2.1 Development regional

The purpose of development regional contains 2 (two) interrelated sides, namely the social and economic sides. In other words, regional development is an effort to provide well-being and improve people's quality of life, for example, by creating production centers, providing facilities for infrastructure and logistics services, etc [3]. Long-term regional development is more emphasized in introducing the natural resource potential and the potential for local development of the region that is capable of supporting (generating) the economic growth and social welfare of the community, including relief of poverty, as well as efforts to overcome existing development constraints in the region in order to achieve development goals. Regional development is any government action that will be carried out in conjunction with the actors in order to achieve an end that is beneficial for the region itself and for the administrative unit of which the region is a part, in this case the State. Unitary of the Republic of Indonesia [4].

2.2 Tourism development

According to Barreto [5], tourism development is an effort to develop or advance tourist objects so that these attractions are better and more attractive in terms of places and objects in them to attract tourists to visit them.

The development of the tourism sector is aimed at improving the quality of life and well-being and can provide benefits to meet the needs of the community. By developing the industry.

According to Pitana [6], there are 4 (four) main aspects that the tourism sector must have:
1. **Attraction** is the main product of a destination.
2. **Accessibility** is the means and the infrastructure to the destination.
3. **Amenities** are all the supporting facilities that can meet the needs and wants of the tourists.
4. **Auxiliary**, related to the availability of a target management organization container

The success of tourism development is determined by 3 factors, as stated by Yoeti [7], as follows:
1. Availability of objects and tourist attractions.
2. The existence of **accessibility facilities**, i.e. facilities and infrastructure,
3. The occurrence of amenities, that is, the destination of tourism.

Law No. 10 of 2009 on Tourism Chapter I Article 1; It is established that tourism is a travel activity carried out by a person or group of people when visiting certain places for the purpose of recreation, personal development or study of the uniqueness of the tourist attractions visited in a temporary period.
The definition of tourist attraction according to Law no. 10 of 2009 is everything that has singularity, beauty and value in the form of diversity of natural, cultural and artificial wealth that is the object or purpose of tourist visits.

A tourist attraction according to Yoeti [8] must meet three requirements, namely:
1. The area must have what is known as "something to see" (something to see, such as natural landscapes,
2. The area must have what is called the term "something to do" (something to do) such as adequate accommodation/hotels,
3. The area must provide what is known as “algo para compra” (something to buy), especially folk souvenirs and handicrafts

In the management of tourist areas, it is necessary to pay attention to the 4ASC concept, especially for the management of tourist destinations in Indonesia. The attraction is a tourist attraction that can attract tourists.

Accessibility is the facilities and infrastructure available in the form of roads, transport, travel companies (trips), signs and travel guides for tourists.

Amenities are support facilities that can meet the needs and wishes of tourists.

Ansillaries is the availability of organizations, groups and individuals who care for or manage tourist destinations.

Security is the protection of the safety of tourists from crime, theft, physical disturbances and other criminal disturbances.

Comfort (comfort) is a guarantee of tranquility for tourists in tourist areas.

2.3 Micro, Small and Medium Enterprises (MSMEs)

Micro, Small and Medium Enterprises (MIPYMES) are independent productive business units, which are carried out by natural or legal persons in all economic sectors. In principle, the distinction between Micro Enterprises (UMi), Small Enterprises (UK) and Medium Enterprises (UM) is generally based on the initial value of the asset (excluding land and buildings), the average annual turnover or the number of permanent employees.

The potential development of micro, small and medium enterprises (MSMEs) can evolve towards the concept of creative local economic development through a dynamic business process, as well as community and business welfare to improve the quality of life of all members of the community. who are directly involved in the establishment of micro, small and medium-sized enterprises and medium-sized enterprises (MSMEs).

According to the Ministry of Finance Based on the Decree of the Minister of Finance No. 316/KMK 016/1994 of June 27, 1994, Small Businesses as individuals/business entities that have carried out activities/businesses with a maximum of annual sales of Rp. 600,000,000, - or assets (assets) a maximum of Rp. 600,000,000.- (excluding land and occupied buildings).

2.4 The purpose and role of MSMEs

The principle of empowerment of Micro, Small and Medium Enterprises proclaimed by Law no. 20 of 2008 are:

1. Growing independence, union and entrepreneurial spirit of MSMEs;
2. Carrying out transparent, responsible and fair public policies;
3. Regional business development based on potential and market-oriented according to MSME competencies.
4. Increased competitiveness.
5. Integrated planning, execution and control.
2.5 The purpose of empowering MSMEs

1. Realize a balanced, developing and fair national economic structure.
2. Grow and develop the capacity of MSMEs to become strong and independent businesses.
3. Increase the role of MSMEs in regional development, job creation, income distribution, economic growth and poverty alleviation.

2.6 Characteristics of SMEs

1. Low worker productivity that makes it difficult for micro and small entrepreneurs to meet the UMR (Regional Labor Salary) quota.
2. Low productivity.
3. Limited access of micro and small entrepreneurs to capital.
4. Management and marketing skills are still low.
5. Lack of infrastructure in Indonesia.
6. The high cost of importing raw materials and spare parts that translated into very high production costs.
7. The decrease in the purchasing power of people [9].

2.7 Challenges and problems of MSMEs

1. Relatively low technology.
2. Human Resources (HR) is not supportive.
3. Poor management.
4. Poor management.
5. Organizations and Institutions.

2.8 Some of the problems that MSMEs usually face

1. Marketing difficulties.
2. Financial limitations.
3. Limited human resources (HR).
4. Raw material problem.
5. Technological limitations.

3 Results and discussion

3.1 The effect of tourism development on regional development

The results of the analysis show that tourism development has a significant influence on regional development).

3.2 The influence of creative MSMEs in regional development

SMEs based on the Creative Economy have a significant effect on the dependent variable Y (Regional Development).
3.3 The effect of tourism development on regional development through MSMEs based on the creative economy

Tourism development has a significant effect on regional development.

3.4 Potential development of the Karo Regency tourist area

The potential for regional development of the Tourism Designation Areas extends throughout the sub-districts of Karo Regency. The following are nature tourism areas that have potential for tourism designation in the Karo Regency area.

3.5 Potential of honey SMEs

MSME Madu is one of the creative economy based SMEs that requires support from various parties including government, private sector, financial institutions and the surrounding community. Other than that, the development of the tourist village must also integrate the leading tourist potential [10].

With the development of tourist towns in Karo Regency, it will become an attraction for domestic and foreign tourists and support creative industries in the surrounding area [11]. The contribution of the creative economy in the Indonesian economy and culture with socio-cultural diversity is a source of inspiration for the development of the creative economy in Indonesia.

3.6 MSME development efforts

The steps that must be applied by the owners of honey UMKM in Karo Regency are so that their UMKM can develop and progress, which does not involve the nature, emotions and preferences of individuals in decision making, since by being able to lead to decisions misguided, this is commonly referred to as managerial conduct or managerial behavior [12].

MSMEs still have many limitations and obstacles, especially the obstacles that exist between MSMEs and banks as providers of credit to MSMEs. The viability of the business, the financial aspects, the marketing aspects and the human resources (manpower) aspects are problems of the MSMEs that the Bank has felt up to now and there are even owners of MSMEs that have not been able to manage and develop your business properly.

Based on the results of the observations made to the MSMEs, there are still problems that arise, that is, the business management that is carried out focuses solely on the productivity of honey and takes precedence over financial management and business development.

3.7 Tourist potential

The tourism potential of the Lake Toba area has a multiplier effect, so it can have a large economic impact on local communities, especially the people of the Lake Toba area. Economic activities that can be carried out by local communities in the Lake Toba area that can be linked to the tourism industry, such as sellers of food, plantation products, livestock, agriculture and many other potentials that can be developed by looking at the potential of the natural resources, district property. Karo as an area near Toba lake can also be believed that this potential can also improve the economic level of the existing local community.

The honey produced by the beekeepers of Karo Regency is the honey that has the best quality, because the main source of food for the bees in this crop are the flowers of the acacia...
[13]. Because geographically this crop is adjacent to the acacia plantation owned by PT. WKS that has a plantation area of 35,884 Ha [14].

The results of the initial discussion carried out with one of these service partners, namely MSME honey, a new problem for honey bee farmers in Kabanjahe village, Karo Regency, namely the increasing number of farmers of honey bees in Karo Regency carried out by the community. in the town due to the impact of the Covid 19 pandemic so that they can improve their economy but the demand for honey from the town does not increase. so it is currently difficult for village partners and growers to be able to market their honey products because the average buyer/collector currently only distributes to meet the needs of local communities in North Sumatra province.

The results of honey production at Karo Regency and its partners are currently difficult to market outside North Sumatra province due to the unattractive and unhygienic quality of honey packaging and marketing patterns that are still traditional or old ways with word of mouth promotion.

MSMEs have 1,000 boxes for growing honey bees that can produce 4 tons of honey in hot summers. However, with unhygienic packaging conditions. The honey resistance level in Karo Regency SMEs only lasts for 3 months. The honey produced by this partner has a moisture content of between 20% to 21% in summer and 24% - 27% in the rainy season.

4 Conclusion

1. Creative economy SMEs have a great influence on regional development, especially in the empowerment of people who do not have a job. One of the creative economy SMEs currently developing in Karo Regency is UMKM honey.
2. With the development of tourist villages in Karo Regency, it will become an attraction for domestic and foreign tourists and support the creative industry in the surrounding area.
3. The contribution of the creative economy in the Indonesian economy and culture with socio-cultural diversity is a source of inspiration for the development of the creative economy in Indonesia. The results of honey production at Karo Regency and its partners are currently difficult to market outside North Sumatra province due to the unattractive and unhygienic quality of honey packaging and marketing patterns that are still traditional or old ways with word of mouth promotion.
4. Packaging of product insufficient to make the product available use for along time.

1. The Karo Regency Government is advised to pay more attention to efforts to develop creative economy SMEs such as honey SMEs.
2. Mipymes honey management is recommended to be more active in the development of Mipymes so that they can contribute to the development of Karo Regency.
3. Government may to facilitate the building or place where the SMEs can promote and sales their product directly to the customers.
4. SMEs of hone must be give more attention for packaging of honey product likes eyecatching, interesting and useful and available use for along time.

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