

THE ROLE OF MSMEs IN IMPROVING THE ECONOMY IN RAMADAN

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Abstrak

Bulan Ramadhan merupakan bulan yang sangat penting bagi umat Muslim di seluruh dunia. Bulan ini dianggap sebagai bulan suci, di mana umat Muslim berpuasa, beribadah, dan memberikan amal kebajikan. Di samping itu, bulan Ramadhan juga menjadi momen yang penting bagi sebagian besar pelaku usaha, khususnya UMKM. Penelitian ini bertujuan untuk menganalisis peran UMKM dalam meningkatkan perekonomian di bulan Ramadhan dan faktor-faktor apa saja yang mempengaruhi keberhasilan mereka dalam memanfaatkan momen tersebut. Penelitian ini bersifat kualitatif. Teknik pengumpulan data meliputi menyimak dan mencatat informasi penting untuk melakukan analisis data melalui reduksi data, display data, dan penarikan kesimpulan. Hasil studi ini menyimpulkan bahwa UMKM memiliki peran yang penting dalam meningkatkan perekonomian selama Bulan Ramadhan. UMKM dapat meningkatkan konsumsi dan pendapatan masyarakat, menciptakan lapangan kerja, serta mendorong pertumbuhan ekonomi. Untuk meningkatkan peran UMKM dalam meningkatkan perekonomian selama Bulan Ramadhan, UMKM perlu melakukan beberapa strategi seperti meningkatkan kualitas produk dan layanan, mengoptimalkan pemasaran, meningkatkan efisiensi operasional, berinovasi dan beradaptasi dengan perubahan tren dan permintaan, serta memperluas jaringan dan melakukan kolaborasi dengan pihak lain.

Kata kunci: UMKM, Ekonomi, Ramadhan

Abstract

Ramadan is a very important month for Muslims around the world. It is considered a holy month, where Muslims fast, worship, and give good deeds. In addition, the month of Ramadan is also an important moment for most businesses, especially MSMEs. This study aims to analyse the role of MSMEs in improving the economy in the month of Ramadan and what factors influence their success in taking advantage of this moment. This research is qualitative in nature. Data collection techniques include listening and recording important information to conduct data analysis through data reduction, data display, and conclusion drawing. The results of this study concluded that MSMEs have an important role in improving the economy during Ramadan. MSMEs can increase community consumption and income, create jobs, and encourage economic growth. To increase the role of MSMEs in improving the economy during Ramadan, MSMEs need to carry out several strategies such as improving product and service quality, optimising marketing, improving operational efficiency, innovating and adapting to changes in trends and demand, as well as expanding networks and collaborating with other parties.

Keywords: MSMEs, Economy, Ramadan

INTRODUCTION

Ramadan is a very important month for Muslims around the world. It is considered a holy month, where Muslims fast, worship, and give good deeds. In addition, Ramadan is also an important moment for most businesses, especially micro, small and medium enterprises (MSMEs). MSMEs play an important role in the economy as they contribute a large portion of gross domestic product (GDP) in many countries, including Indonesia (Ausat & Suherlan, 2021); (Subagja et al., 2022) and (Sutrisno, Cakranegara, Asri, et al., 2022). In the month of Ramadan, MSMEs in Indonesia have the potential to increase their sales and revenue, as market demand tends to increase along with increased consumption activities during the month.

However, increased demand also brings challenges for MSMEs, such as tougher competition and challenges in terms of raw material inventory and goods delivery (Subagja, 2023); (Ausat & Peirisal, 2021) and (Kamar et al., 2022). Therefore, it is necessary to conduct a study to evaluate the role of MSMEs in improving the economy in the month of Ramadan and what factors influence their success in capitalising on the moment.

This study aims to analyse the role of MSMEs in improving the economy in the month of Ramadan and what factors influence their success in taking advantage of the moment. Thus, this research is expected to contribute to the development of MSMEs in Indonesia and provide recommendations for businesses and the government in optimising the economic potential in the month of Ramadan.

METHOD

This research utilises a literature review methodology, where the researcher does not conduct primary data collection through direct field research. The researcher utilised various reference sources to ensure the smooth conduct of the research. The literature used in this discourse was obtained from digital media and scientific repositories through the application of keywords relevant to the themes discussed, specifically the role of MSMEs, economic values, and Ramadhan. The author utilised a versatile methodology in selecting relevant reference sources, without limiting the scope to a specific journal gateway or digital platform. The authors used a variety of sources, including Emerald Insight, ResearchGate, and Elsevier journal portals, as evidence for their arguments. The focal point of this article relates to the role of MSMEs in the economy during Ramadan. The authors used the technique of emphasising certain keywords to limit the scope of the discussion and ensure coherence. The researcher's search query focused on scholarly journals, articles, and publications published between 2019 to date. In the source collection process, we used keywords to conduct searches across various publishing platforms. It should be noted that only papers, journals, and publications that are highly relevant to the topic of the role of MSMEs and their effect on improving the economy during Ramadhan, while others can be ignored. This scholarly article includes a total of 18 comprehensive sources.

The current investigation is categorized as a type of qualitative inquiry. The data collection process entails the utilization of diverse techniques, including attentive listening and meticulous recording of relevant information. The aforementioned methods are utilized to aid in the analysis of data, which is achieved through the procedures of data reduction, data presentation, and inference drawing. The overarching objective of this analysis is to acquire a thorough comprehension of the literature review conducted as a component of this research undertaking. In the phase of data reduction, the data is organized, classified, and removed in a way that enables the production of meaningful findings and eases the task of making inferences. The requirement to conduct data analysis during the reduction phase is a result of the extensive and complex characteristics of the data. The reduction phase was executed to ascertain the pertinence of the information to the final aim. At the outset, a cumulative sum of 24 sources were procured. Following the initial process, the numerical quantity was altered to 18. Following that, the information will be exhibited via a visual representation. The present phase constitutes a subsequent step in the process of data reduction, whereby a set of data is systematically arranged in a structured format to enhance comprehension and facilitate the derivation of inferences. The modality of data presentation employed in this particular context is written discourse (in the form of field notes). The manner in which data is organized and arranged in a relational pattern is made more efficient through the utilization of this data presentation. The ultimate stage of the process entails deriving inferences from the gathered data. The ongoing stage signifies the termination of our utilized qualitative data analysis approach, in which we scrutinize the results of data reduction and data display to guarantee congruity with the proposed analysis goals. The aim of this stage is to extract meaning from the collected data through the identification of correlations, similarities, or differences, with the purpose of developing solutions to pre-existing problems. The sources employed are considered dependable for deducing conclusions. The objective of this undertaking is to obtain dependable and accurate conclusions, thereby aiding understanding.

RESULT AND DISCUSSION

Ramadan is a very special month for Muslims around the world. It is a holy month where Muslims fast for one whole month (Fitria & Kusuma, 2022). In Indonesia, Ramadan is also synonymous with a different atmosphere. The atmosphere in cities in Indonesia becomes more alive at night because of the many activities held by the community in commemoration of the month of Ramadan. One of the activities that many people do in the month of Ramadan is shopping. Shopping is a very important activity for the people of Indonesia in the month of Ramadan (Schmidt, 2012). This activity is also an opportunity for micro, small and medium enterprises (MSMEs) to improve the economy in the month of Ramadan (Puspitaningrum et al., 2021).

MSMEs are one of the most important economic sectors in Indonesia (Sampe et al., 2022). This sector has a very important role in improving the Indonesian economy (Wijanarka & Sari, 2022); (Aladin et al., 2021); (Rohadin & Yanah, 2019); (Rinaldi et al., 2022) and (Ausat, Siti Astuti, et al., 2022). MSMEs make a major contribution in creating jobs, increasing people's income, and driving economic growth (Ausat, 2023) and (Sutrisno, Cakranegara, Hendrayani, et al., 2022). According to data from the Ministry of Cooperatives and SMEs, around 60 per cent of the workforce in Indonesia works in the MSME sector. In addition, the MSME sector also contributes 60% to Indonesia's gross domestic product (GDP) (Ausat, Widayani, et al., 2022). MSMEs play a very important role in boosting the economy during Ramadan. Here are some of the roles of MSMEs in improving the economy in the month of Ramadan:

1. Providing Goods and Services

MSMEs play an important role in providing goods and services during Ramadan. Some of the most needed goods during Ramadan are food and beverages. MSMEs can provide a wide range of food and beverages needed during the month of Ramadan. In addition, MSMEs can also provide various services such as catering services, decoration services, and food and beverage delivery services.

2. Increasing Consumption

MSMEs also play an important role in increasing consumption during Ramadan. During Ramadan, public consumption increases as people need to buy food and beverages for iftar and suhoor. MSMEs can capitalise on this opportunity by offering attractive products and services to increase public consumption.

3. Increase MSME Revenue

The month of Ramadan is also an opportunity for MSMEs to increase revenue. During Ramadan, demand for various goods and services increases. MSMEs can capitalise on this opportunity by offering attractive products and services to increase revenue.

In addition to increasing revenue, MSMEs can also create jobs during Ramadan. In order to meet public demand, MSMEs need to increase their workforce to produce goods and provide services. This can create new jobs for people who need work. By increasing MSME consumption and income, the MSME sector can drive economic growth during Ramadhan. The economic growth generated by the MSME sector can help boost the overall economy. To increase the role of MSMEs in improving the economy during Ramadan, MSMEs need to implement several strategies. The following are some strategies that MSMEs can use to improve the economy during Ramadan:

1. Improve Product and Service Quality

To attract the interest of the public, MSMEs need to improve the quality of the products and services offered. Good product and service quality can increase public trust and help increase sales. In addition, by improving the quality of products and services, MSMEs can retain customers and build a good reputation.

2. Optimising Marketing

Effective marketing can help MSMEs increase sales during Ramadan. MSMEs need to utilise social media and online platforms to promote their products and services. In addition, MSMEs can also organise promotional events or discounts to attract the public.

3. Improve Operational Efficiency

MSMEs need to improve operational efficiency to fulfil demand during Ramadan. MSMEs need to conduct good production planning and ensure that stocks are always available. In

addition, MSMEs also need to consider the use of technology to improve operational efficiency.

4. Innovate and Adapt

MSMEs need to innovate and adapt to changing trends and demand during Ramadhan. MSMEs need to keep up with trends and pay attention to what people need during Ramadhan. By innovating and adapting, MSMEs can fulfil public demand and increase sales.

5. Expand Networks and Collaborations

MSMEs can expand their network and collaborate with other parties to improve their economy during Ramadhan. MSMEs can collaborate with suppliers to obtain raw materials at lower prices. In addition, MSMEs can also collaborate with other MSMEs to develop better products and services.

CONCLUSION

MSMEs play an important role in improving the economy during Ramadhan. MSMEs can increase consumption and income, create jobs, and drive economic growth. To increase the role of MSMEs in improving the economy during Ramadhan, MSMEs need to carry out several strategies such as improving product and service quality, optimising marketing, improving operational efficiency, innovating and adapting to changes in trends and demand, as well as expanding networks and collaborating with other parties.

SUGGESTION

The government and the community need to provide support and attention to the MSME sector to help boost the economy during Ramadhan. The government can provide incentives or training programmes to help MSMEs improve the quality of their products and services, as well as improve operational efficiency. Meanwhile, the community can provide support by purchasing products and services from local MSMEs, as well as helping to promote MSMEs through social media and online platforms. By increasing the role of MSMEs in boosting the economy during Ramadhan, it is expected to benefit the community and help boost overall economic growth. In addition, MSMEs can become a strong and sustainable sector, capable of withstanding future economic challenges.

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