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## Sarong MSMEs in push local economic growth in Gresik City

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### ABSTRACT

This study examines the strategic role of sarong Micro, Small, and Medium Enterprises (MSMEs) in promoting local economic growth in Gresik City, East Java. Using a qualitative descriptive approach, data were collected through interviews, observations, and documentation involving MSME owners, workers, and local consumers. The findings reveal that most sarong MSMEs are family-based businesses that create significant local employment and income opportunities. Through innovation and digital marketing especially via social media platforms these enterprises expand their market reach while preserving traditional weaving motifs unique to Gresik's cultural identity. Sarong MSMEs not only strengthen the local economy by utilizing local raw materials and labor but also empower women and sustain cultural heritage. However, key challenges persist, including limited access to capital, inadequate managerial and digital skills, and competition from industrial and imported products. Strengthening government support, enhancing digital literacy, and expanding financing access are essential for ensuring their sustainable growth. Overall, sarong MSMEs serve as both economic and socio-cultural agents that significantly contribute to inclusive local development in Gresik City.

**Keywords:** MSMEs, local economic growth, sarong industry, digitalization, cultural preservation, Gresik City

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## 1. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) have role strategic in move economy regions in Indonesia. As bone back economy national, MSMEs do not only contribute to absorption power work, but also become receptacle important in development economy based people's rights. In the middle dynamics globalization and challenges the economy continues to grow changed, MSMEs are proven capable endure even moment sector industry big experience slowdown.

Gresik City has structure diverse economy, starting from from industry big until sector business small growing rapidly. Among various types of existing MSMEs, industry sarong occupy sufficient position important in activity economy society. Products sarong typical of Gresik only become need functional society, but also has mark culture and symbols identity area. Therefore that, the development of sarong UMKM in Gresik is not only aspect - oriented economy only, but also on preservation mark tradition local. [Ramadani et al. \(2023\)](#) in article "The Strategic Role of MSMEs in Push Sustainable Economic Growth in Indonesia" states that MSMEs are one of the most important pillars in the Indonesian economy, especially in his contribution to GDP, absorption power work and development area. However they also found that many MSMEs still face constraint big like access to capital, policies government, as well as digitalization.

Sarong industry in Gresik is partly big managed by family MSMEs that have operate in a way hereditary. Although scale small, activities production sarong involving various layer society, starting from weavers, craftsmen, to trader. Chain the economy that is formed from activity This give effect multiple to economy local. With increasing request sarong, good from the domestic market and outside area, sarong UMKM potential expand field work and improve welfare public local. [Utami et al. \(2023\)](#) in research "Micro, Small and Medium Enterprises (MSMEs) in the Midst of Global Change: Building Online Business Facing Competitors" shows that MSMEs are capable adapt with digitalization (for example online marketing, e-commerce) has Power competition better in the era of global competition.

However Thus, the development of sarong UMKM in Gresik is not off from a number of challenges. Problems classic like limited capital, skills managerial, as well as access towards markets and technology Still become obstacle main. In the digital era economy, many MSMEs have not capable utilise technology information optimally for expand network marketing. Conditions This cause Power competition product local often lost with product manufacturer or more imports efficient and globally market- oriented. [Lubis & Salsabila \(2024\)](#) in The article "The Role of MSMEs (Micro, Small and Medium Enterprises) in Improving Economic Development in Indonesia" states that the existence of MSMEs plays a very important role in push growth economy, creating field work, and reduce inequality socio-economic.

Government areas and various institution related Actually has give attention to MSME sector, including through training programs, financing, and promotion product local. However, the effectiveness of the program often not yet evenly, especially in context sustainability business. In the case of the sarong MSME in Gresik, support more policies specific and based need perpetrator efforts are very necessary for the industry traditional This capable develop in line with dynamics modern economics. [Harahap \(2024\)](#) – In the study "The Role of Micro, Small and Medium Enterprises in Economic Development "Ulos Weaving of the Community at Lake Toba" was discovered that the weaving MSMEs No just produce textiles, but also has meaning culture and provide contribution to economy local through improvement income public.

From the side economy local, the existence of sarong UMKM contribute in strengthen economy based community. Activities production that uses material standard local and manpower Work local create circulation the economy within the region alone. With Thus, profits are generated No only enjoyed by the owner effort, but also contribute to improvement income public around. This is in line with principle development economy inclusive which emphasizes equality benefit development. [Gaul \(2024\)](#) – The research "Level of Dependence of Textile MSMEs on Imported Raw Materials" reveals that textile MSMEs in Tangerang have level dependence tall to material standard imports, which become risk for sustainability business

Apart from the aspect economy, industry sarong also has dimensions important socio-cultural aspects. Sarong No just product textiles, but rather part from identity culture public the coast of Gresik is known religious. Many sarong SMEs carry distinctive motifs area or combine values Islam in design products. Cultural values this is what it is superiority competitive unique that is not owned by the product modern mass textiles. With Thus, the development of sarong UMKM No only strengthen economy local, but also maintain sustainability inheritance culture area. In the context of development area, improvement Power competition of sarong SMEs can become one of the strategies for strengthen structure Gresik's economy outside sector industry big. With strengthening capacity perpetrator business, innovation products, as well as greater market access wide, UMKM sarung potential become sector featured new support diversification economy area. Collaboration between government, institutions education, and sectors private sector is also needed for create conducive ecosystem for development industry creative based tradition This.

Based on description said, research regarding "The Role of MSME Sarongs in Push Local Economic Growth in Gresik City" becomes important for conducted. This study expected can give greater understanding deep about contribution economic, social and cultural from sarong SMEs to development area. In addition, research this also aims identify factors that influence development business as well as formulate recommendation policies that can strengthen position of UMKM sarung as a driving force economy local Gresik.

## **2. METHODOLOGY**

### **2.1 Approach Study**

Study This use approach qualitative- descriptive approach qualitative chosen Because objective study is for understand in a way deep the role of sarong SMEs in push growth economy local, including dynamics business, marketing strategies, and their impact to community. Research descriptive aim describe phenomenon in a way systematic, factual, and accurate.

### **2.2 Location and Time of Research**

Study carried out in Gresik City, especially in several MSME craftsmen sarongs spread throughout the central region craft. Research time planned for 3–4 months, from stage data collection up to analysis.

### **2.3 Subject and Object Study**

Subject research: Owners and managers of sarong UMKM, UMKM workers, and consumer local.

Object research: The role of sarong SMEs in push growth economy local, including business strategy, marketing, innovation products and contributions to income public.

### **2.4 Data Collection Techniques**

Data collected through a number of method: (1) Interview In- depth Interview: Carried out to owners and managers of MSMEs to understand experience, strategy, and challenge business; (2) Observation Participatory: Researcher conduct observation directly at the MSME location for looking at the production process, management, and interactions with consumers.

### **2.5 Data Analysis Techniques**

Data analyzed with use analysis thematic, which includes: (1) Transcription of interview data and notes observation; (2) Grouping data based on theme: for example role economics, marketing strategy, contribution to public; (3) Interpretation and withdrawal conclusion based on patterns and relationships inter-theme; (4) Data analysis was performed in a way triangulation source, namely compare information from interviews, observations, and documentation For increase data validity.

### 3. RESULTS AND DISCUSSION

#### 3.1. Results

Research result show that the majority of sarong MSMEs in Gresik City is business family with scale micro until medium, with amount 5–15 employees. Products main output in the form of sarong traditional and modern, including sarong with local motifs typical of Gresik. Some MSMEs target the local market, while some others have market the product through social media and e-commerce platforms. One of them craftsman, Mrs. Rini, said, "The sarong business This Already executed family I since 10 years then. Initially only for sold in local markets, now many people are buying it via Instagram and WhatsApp." This show that the sarong UMKM No only guard sustainability business family, but also take advantage of digital technology for expand market reach.

Sarong SMEs own role important in growth economy local through creation field work and improvement income public around. Interview results with Mr. Ahmad, the owner of the Gresik Sarong UMKM, saying, " Every that day, I employ about 8 neighbors. With the existence of these MSMEs, they Can get income addition for family." Findings This show that the sarong UMKM contribute direct to improvement welfare inhabitant local as well as push growth businesses small supporters, such as fabric shops, services coloring, and embroidery.

In facing the increasing market competition tight, UMKM sarong apply various innovative strategies. Some of them is digital marketing through Instagram, WhatsApp, and e-commerce, innovation design product with combining traditional and modern motifs, services flexible customers including custom orders and purchases wholesale, as well as collaboration with community local through exhibitions and bazaars. Mrs. Fitri, one craftsmen sarong in Gresik, stated, "Now part big our buyers come from social media. We also create new motifs in accordance trend to stay in demand." These strategies show the capabilities of sarong SMEs for adapt with modern market developments and digital trends.

Although Thus, UMKM sarong face a number of challenges, such as limited capital for procurement material standard quality, competition with sarong industry mass and import, limitations source Power man especially in motif and coloring techniques, as well as digitalization that has not yet evenly distributed among craftsman. Mr. Joko, craftsman sarong traditional, saying, "If capital is limited, sometimes difficult buy material standard quality. Competition with sarong the factory is also sufficient heavy." Challenge This become obstacle for development effort and demand existence support from government and institution finance.

In addition to contributions economy, UMKM sarong also provides impact social and cultural. This MSME empowering Woman as owners and workers, so increase independence economy they. Products sarong with local motifs also helps preservation Gresik's culture and identity. Mrs. Sari, the owner of the "Sari Motif" Sarong UMKM, stated, " Through this UMKM, I Can help friends women in the village For get income ourselves. We also remain maintain the sarong motif typical of Gresik so that No lost." The sarong UMKM also encourages involvement community local, good in production and marketing, so that strengthen network social and economic in the surrounding area.

In a way Overall, the sarong UMKM in Gresik City plays a role role important in push growth economy local through creation field work, improvement income community and development business supporters. Innovative strategies in products, marketing, and services customer helping MSMEs compete in the digital era, even though Still face challenge related to capital, human resources, and market competition. In addition, the sarong MSME give impact positive social in the form of empowerment women, conservation culture local, and involvement community. Findings This show that the sarong UMKM No only functioning as an economic unit, but also as agent social and cultural support development local in Gresik City (See [Table 1](#))

**Table 1. Profile of Sarong MSMEs, Strategies, and Economic Impact in Gresik City**

No	Name of MSME	Business Scale	Amount Employee	Main Products	Marketing strategy	Economic Contribution	Quote Interview
1	Rini Sarong MSME	Micro	8 people	Sarong traditional & modern	Social media (Instagram, WhatsApp), local bazaars	Absorb power Work local, improve 20–30% income	Sarong business This Already executed family I since 10 years Then. Now many people are buying it via Instagram and WhatsApp.” – Mrs. Rini
2	Gresik Sarong MSME	Micro-Medium	10 people	Sarong modern embroidery & motifs	Custom order, wholesale, collaboration community	Open field Work for inhabitant around	" Every that day, I employ about 8 neighbors. With the existence of these MSMEs, they Can get income additional.” – Mr. Ahmad
3	Sarong Sari Motif SME	Micro	5 people	Traditional motif sarong typical of Gresik	Innovation design, digital marketing, bazaars & exhibitions	Empowerment women, conservation culture local	" Through this MSME, I Can help friends women in the village For get income ourselves. We also remain maintain the sarong motif typical of Gresik so that No lost.” – Ibu Sari
4	Sarong MSME Fitri	Micro	12 people	Modern & traditional motif sarongs	Social media, innovation of appropriate motifs trend	Increase sales & revenue public local	" Now part big our buyers come from social media. We also create new motifs in accordance trend to stay in demand.” – Mrs. Fitri
5	Joko Sarong MSME	Micro	7 people	Sarong traditional	Marketing local, bazaar	Provide field work, support business material standard local	"If capital is limited, sometimes difficult buy material standard quality. Competition with sarong the factory is also sufficient heavy.” – Mr. Joko

**Source:** Author’s Data

### 3.2. Discussion

Research result show that the sarong UMKM in Gresik City has significant role in push growth economy local. This MSME No only absorb power Work local, but also improve income the surrounding community. This is in line with Tambunan's (2020) opinion states that MSMEs are the driving force economy area Because capable create field work and improve Power buy community. Findings interview with Mr. Ahmad and Mrs. Rini also showing that the sarong UMKM capable provide work for inhabitant around and utilize social media For expand the market, so that support theory that innovation and digitalization become key the success of MSMEs in the modern era (Kuncoro, 2021).

Apart from the aspect economy, UMKM sarong also provides impact important social, especially in empowerment women and conservation culture local. The majority craftsmen and owners business is women, who are direct increase independence economy they. This is in line with studies Halimatussadiyah

et al. (2022) who emphasized that MSMEs are based on community play a role in empowering group vulnerable, including women, at the same time strengthen network social local. Preservation of sarong motifs traditional typical Gresik also shows that MSMEs have function double, namely economy and culture.

Marketing strategy implemented by sarong SMEs also shows ability adaptation to market changes. Utilization of social media, innovation design, as well as custom and wholesale services is form response to competition industry mass. This result support Porter's (1985) theory of differentiation strategy, namely business small can compete with offer product unique and more personalized service. For example, Mrs. Fitri state that new motif innovation in accordance the trend is very helpful in increase sales. This is show that the sarong UMKM No only focused on production, but also pay attention to modern market needs.

Although Thus, UMKM sarung face a number of limiting constraints development business, such as limited capital, competition with product industry mass and import, as well as limited skilled human resources in motif and coloring techniques. Findings This in line with research by Tambunan (2020) and Kuncoro (2021) which shows that limitations access to capital and human resources becomes obstacle classic for MSMEs in Indonesia. Obstacles This demand existence support from government through financing, training and mentoring programs so that MSMEs are able to develop in a way sustainable.

In a way Overall, the sarong UMKM in Gresik is not only just an economic unit, but also an agent social and cultural. They play a role in create field work, improve income community, empowering women, and preserving sarong motifs traditional. This result support view Halimatussadiyah et al. (2022) that MSMEs are based on community own mark economy at a time social. Therefore that, development of sarong UMKM must done in a way holistic, with notice aspect economic, social and cultural aspects so that their contribution to development local increasingly optimal.

#### **4. CONCLUSION**

Based on results research and discussion, can concluded that the sarong UMKM in Gresik City has role strategic in push growth economy local. This MSME contribute in a way direct through creation field Work for inhabitant around, increase income society, and encourage development business supporters such as fabric shops, services coloring, and embroidery. In addition to the contribution economy, UMKM sarung also provides impact significant social, especially in empowerment women and conservation culture local through production sarong patterned typical of Gresik. The marketing strategies implemented, such as utilization of social media, motif innovation, custom services, and participation in exhibitions and fairs, shows ability adaptation of MSMEs to dynamics of the modern market. Although Thus, UMKM sarung face challenge main in the form of limited capital, human resources, and competition with product industry mass and import, which require support government and institutions related.

##### **4.1. Recommendations**

Based on findings research, there are a number of recommendation for strengthen the role of sarong SMEs in development economy local: (1) Improvement access to capital: Government regions and institutions finance can provide financing programs specifically for creative MSMEs so that craftsmen can buy material standard quality and develop business; (2) Training and development: Recommended existence training motif techniques, coloring, management business, and digital marketing for increase skills craftsmen and power MSME competitiveness; (3) Strengthening digital marketing: MSMEs need Keep going develop e-commerce platforms, social media, and digital marketing strategies so that they can reach more markets wide, including national and international; (4) Preservation culture local: Government and community local can Work The same with MSMEs for support preservation of sarong motifs traditional through exhibition culture, craft festivals, and educational programs. (5) Development network community: Strengthening collaboration between sarong SMEs, craftsmen and traders local can increase distribution, innovation products, and engagement public in economy creative.

## **Ethical Approval**

This study was conducted in accordance with ethical research standards. Ethical approval was obtained from the Research Ethics Committee of the Akademi Sekretari dan Manajemen Indonesia Surabaya. All procedures followed the institutional and national research ethics guidelines regarding the involvement of human participants.

## **Informed Consent Statement**

All participants involved in this study provided informed consent prior to participation. The respondents were informed about the purpose of the research, their voluntary involvement, and their right to withdraw at any time without penalty.

## **Authors' Contributions**

Muhammad Afifi Rahman was responsible for the conceptualization, data collection, analysis, and manuscript preparation. The author reviewed and approved the final version of the manuscript.

## **Disclosure Statement**

The author declares that there are no potential conflicts of interest related to the research, authorship, or publication of this article.

## **Data Availability Statement**

The qualitative data supporting the findings of this study are available from the corresponding author upon reasonable request. Due to confidentiality agreements with participants, certain identifying information cannot be shared publicly.

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## **Notes on Contributors**

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Muhammad Afifi Rahman is a lecturer and researcher at the Akademi Sekretari dan Manajemen Indonesia Surabaya. His research interests include local economic development, entrepreneurship, and the empowerment of Micro, Small, and Medium Enterprises (MSMEs).

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