

The Influence of Business Incubators on Entrepreneurial Economy in Makassar City, Makassar District, Bara-Baraya Timur Village

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Abstract, *In the last few decades, entrepreneurship has become one of the main pillars of economic development, especially in developing countries like Indonesia. Makassar City, as one of the economic centers in Eastern Indonesia, has an important role in encouraging the growth of the small and medium enterprise (SME) sector. One of the efforts made by the government and various institutions is to develop a Business Incubator Program, which aims to accelerate the growth of entrepreneurs through educational support, training and guidance. In Makassar District, Bara-Baraya Timur Village, the development of local entrepreneurs is increasingly being paid attention to. Business incubators in this area offer programs to help local entrepreneurs develop business skills, increase access to capital, and open wider networks. Although business incubators have proven successful in various countries, their application in each region can certainly produce different results, depending on the characteristics of the economic and social environment. In Bara-Baraya Timur Subdistrict, there are several challenges faced by one of the local entrepreneurs who were interviewed by researchers, such as a lack of management skills, as well as increasingly fierce competition. Therefore, the researcher decided to research more deeply into "The influence of business incubators on the entrepreneurial economy in Makassar City, Bara-Baraya Timur Subdistrict".*

Key words: *role of business incubators, impact of business incubators, rising entrepreneurs, Makassar city, Bara-Baraya Timur sub-district.*

1. INTRODUCTION

In recent decades, entrepreneurship has become one of the main pillars of economic development, especially in developing countries such as Indonesia. Makassar City, as one of the economic centers in Eastern Indonesia, has an important role in encouraging the growth of the small and medium enterprise (SME) sector. One of the efforts made by the government and various institutions is to develop a Business Incubator Program, which aims to accelerate the growth of entrepreneurs through educational support, training, and guidance.

In Makassar District, Bara-Baraya Timur Village, the development of local entrepreneurs is increasingly being considered. Business incubators in this area offer programs to help local entrepreneurs develop business skills, increase access to capital, and open wider networks. However, the effectiveness of the incubator program in improving the entrepreneurial economy in this area still needs to be studied further to understand the extent to which the impact of business incubators plays a role in the development of entrepreneurship and the extent to which business incubators contribute to the local economy.

Although business incubators have proven successful in various countries, their implementation in each region can certainly provide different results, depending on the characteristics of the economic and social environment. In Bara-Baraya Timur Village, there

are several challenges faced by one of the local entrepreneurs who have been interviewed by the researcher, such as lack of management skills, and increasingly tight competition. Therefore, the researcher decided to conduct further research on "The Influence of Business Incubators on the Entrepreneurial Economy in Makassar City, Bara-Baraya Timur Village".

The relevant research that is a reference for the author is, "Increasing the Role of Business Incubators as a Catalyst for Entrepreneurial Creation in Asia Pacific (A. Darmawan 2019. <http://repostory.lppm.unila.ac.id>.) and "The role of business incubators in adding to the entrepreneurial spirit of students at the Putra Sang Fajar Blitar State Community Academy (M. Ardiansyah. 2019. <http://oss.ahnacehbarat.ac.id>.). Secondly, the study only focuses on deepening the increasing role of incubators, therefore the author raised a research title in the form of "The Influence of Business Incubators on the Entrepreneurial Economy in Makassar City, Makassar District, Bara-Baraya Timur Village.

2. RESEARCH METHODS

The qualitative research method for the author is considered appropriate to complete the research entitled "The Influence of Business Incubators on the Entrepreneurial Economy in Makassar City, Makassar District, East Bara-Baraya Village" using a phenomenological study approach. Based on the author's observations, this study can use an approach that focuses on understanding subjective experiences and the meaning felt by individuals related to a particular phenomenon.

In the context of the study "The Influence of Business Incubators on the Entrepreneurial Economy in Makassar City, Makassar District, East Bara-Baraya Village" the author uses a phenomenological study approach and observation which is very easy to use in understanding the experiences and perceptions of the entrepreneur audience involved in the business incubator in depth.

The entrepreneur audience used as a sample in the author's interview, amounted to 10 (ten) people with various entrepreneurial backgrounds.

Research Focus

The research "The influence of business incubators on the entrepreneurial economy in Makassar City, Makassar District, East Bara-Baraya Village" focuses on subjective experiences or personal experiences and even the perceptions of entrepreneurs about how business incubators influence the development of entrepreneurial businesses and the economic life of entrepreneurs in East Bara-Baraya Village. Then, the next focus point is on the meaning

or experience of entrepreneurs. In other words, the concrete experience of this research can divert the meaning felt by entrepreneurs from the involvement of entrepreneurs in East Bara-Baraya Village in business incubators. So, later researchers can draw conclusions about the influence of incubators on entrepreneurs' beliefs about the success of their businesses. Of course, the two focus points that have been explained previously can be achieved through a sample of 10 (ten) entrepreneurs from East Bara-Baraya Village.

Research Subject

Key informants are the subjects of the research "The influence of business incubators on the entrepreneurial economy in Makassar City, Makassar District, East Bara-Baraya Village", namely, entrepreneurs who have or are participating in a business incubator guidance program in East Bara-Baraya Village. Then, the criteria for research informants or selected by purposive sampling, namely, based on the relevance of 10 (ten) samples to the research "The influence of business incubators on the entrepreneurial economy in Makassar City, Makassar District, Bara-Baraya Village". For example, among the 10 (ten) people, 3 (three) of them are entrepreneurs who have become incubators for a certain period or who have experienced significant growth in their business.

Data Collection Techniques

The research "The influence of business incubators on the entrepreneurial economy in Makassar City, Makassar District, East Bara-Baraya Village" uses the following data collection techniques:

- a. In-Depth Interview, namely, structured interviews with entrepreneurs in East Bara-Baraya Village regarding experiences, perceptions, and impacts felt by entrepreneurs on business incubators.
- b. Observation, namely, researchers conduct direct observations on the activities of entrepreneurs with business incubators, when holding training or mentoring. Interaction of entrepreneurs in East Bara-Baraya Village in the program.
- c. Documentation, namely, researchers collect secondary data from related documents such as annual reports of entrepreneurs before and after receiving mentoring through business incubators.

Data Analysis

Phenomenological Reduction, namely, researchers examine the subjective experiences of participants by eliminating personal bias and focusing on the essence of the experience felt

by participants. Researchers try to find the "essential meaning" behind the experiences of entrepreneurs in business incubators.

Epoche (Bracketing). Researchers try to postpone or suspend previous judgments and assumptions (suspending preconceptions) to truly understand the experience from the participant's perspective.

Essential Themes. After the analysis process, the researcher will identify essential themes from the participants' experiences. Such as, how the business incubator helped or hindered their business growth, the impact on their self-confidence as entrepreneurs or how the incubator influenced the way they view risks and opportunities.

Validation and Reliability

Member checking, namely, the researcher will validate the results of the analysis by asking participants to review the results of the interview to ensure that the researcher has captured the essence of their experience correctly.

Researcher Self-Reflection, meaning that the researcher will carry out continuous self-reflection to ensure that they do not include personal bias into the interpretation of the data by focusing on personal bias into the interpretation of the data by focusing on the participant's point of view.

Research Procedures

Phenomenological research begins with in-depth interviews in which the researcher asks about the participants' experiences with the business incubator. Participants are invited to reflect on their experiences and share how the business incubator affects their business life.

Data analysis inductively to find patterns and essential meanings from the experiences told by the participants.

3. RESULTS & DISCUSSION

The results that can be presented by researchers based on data can be concluded that the value of Makassar City's GRDP based on current prices in 2023 reached 226.90 trillion rupiah. In nominal terms, the GRDP value has increased by 27.97 trillion rupiah compared to 2022 which reached 208.94 trillion rupiah. The community in 2023 towards 2024 has been relaxed so that economic activities have begun to revive. This encourages the presence of business incubators and increased production of goods and services in several business categories. (Gross Regional Domestic Product Of Makassar By Industry 2019-2023, p. 91).

Especially in Bara-Baraya Timur Village, Makassar District, Makassar City, based on data collection using in-depth and structured interviews conducted by researchers through direct meetings, as many as 10 respondents from various educational backgrounds and types of businesses. The data collected has gone through a previous verification process to eliminate invalid data that could affect the results of the research analysis. The responses of the respondents in this study were observed and analyzed with the aim of providing an overview of the sample in the study, which were grouped based on several factors, namely, gender, last educational background, benefits before and after joining a business incubator, to what extent the business incubator has an impact on entrepreneurial efforts, since when did they know about business incubators.

Based on the results of interviews with 10 respondents, it can be concluded descriptively that 3 people were 19 years old, 5 people were 30 years old, and 2 people were 35 years old. The gender of the respondents was 3 men and 7 women. There were respondents with an educational background of 7 high school graduates, 2 vocational high school graduates, and 1 S1 graduate. Based on the benefits after joining the business incubator, 10 respondents had the same response on average, that the impact of the business incubator on the progress of entrepreneurial efforts in East Bara-Baraya Village increased gradually and drastically. On average, respondents have known about business incubators since the beginning of the end of the Covid-19 period. Then, from 10 respondents interviewed by the researcher concluded that the performance of entrepreneurs was very different before joining a business incubator. In the entrepreneur business incubator in Bara-Baraya Timur Village, especially 10 respondents interviewed by the researcher responded that by joining the entrepreneur business incubator, they gained knowledge about startups, good business governance, whether new, medium, or already a leader of business incubators in Makassar City.

Discussion of the research "The Influence of Business Incubators on the Entrepreneurial Economy in Makassar City, Makassar District, Bara-Baraya Timur Village" can be reviewed starting from the presentation of economic growth which is one of the macro indicators to see economic performance in detail in a region, especially in Bara-Baraya Timur Village, precisely in Makassar City. The rate of economic growth can be seen through the constant price of the year in question against the previous year. The entrepreneurial industry in East Bara-Baraya Village includes food and beverages consisting of food and beverages including processing of agricultural, plantation, fishery products, semi-finished products that do not directly become food products. The food industry includes the manufacture of beverages, both alcoholic and

non-alcoholic beverages, mineral water, etc. (Gross Regional Domestic Product Of Makassar By Industry 2019-2023, p. 28).

A business incubator is a facility or organization that provides various services, support, and resources to help startups or small businesses grow and become sustainable. This support can include access to business networks, training, skills, guidance from experienced mentors. In addition, the existence of an incubator helps develop managerial capacity, improve the quality of products or services, open access to capital and markets (Hamdani & Wirawan, 2012). In addition, a business incubator is a place to sell and produce goods or services in order to gain profit in meeting the needs of the community (Harjadi Fatmasari, 2015).

Entrepreneurship teaches how to think creatively, innovatively, positively, and productively. Dare to take risks to do things that have been done but add added value. (Rifai & Husinsah 2022).

The indicators of a business's success are, first, financial performance including profit or benefits that can be achieved from the productivity of the business. Second, customer needs. Third, product and service quality. Fourth, innovation and creativity. Fifth, employee commitment. (<http://ejournal.stia-lk-duma.ac.id/index.php/present> p. 149)

The business model in Bara-Baraya Village, Makassar District, Makassar City has a significant role in influencing the ability of a business to increase competitiveness and achieve business targets set by the entrepreneur himself. Through business incubators operating in an academic environment, unemployment problems can be overcome by increasing the capacity of macro and medium enterprises (MSMEs) guidance, training, etc. (Sitorus, et al. 2023).

The influence of business incubators on the entrepreneurial economy contributes to the economy through several mechanisms, namely, the growth of new entrepreneurs, which means that business incubators can encourage the birth of new quality entrepreneurs by providing an environment that supports innovation and creativity. An effective incubator can reduce the obstacles often faced by new entrepreneurs. Reducing unemployment and increasing income means that by creating more jobs through new businesses fostered, business incubators indirectly reduce unemployment. Increasing employment at the local level can have a positive impact on local economic growth (Schwartz & Oother, 2009). Strengthening the business network and business ecosystem of incubators not only helps new entrepreneurs but can also build a wider business ecosystem in the city. Incubators become a link between new entrepreneurs and investors, customers, suppliers, and other business communities.

Furthermore, based on case studies of several previous studies on business incubators in the city of Makassar, it shows a positive impact that businesses supported by local or foreign business incubators can encourage the development of MSMEs. This can also be seen directly by researchers that the role of incubators for entrepreneurs in the Bara-Baraya Timur Village, Makassar City is very beneficial. Incubators can also promote local economic diversification and help entrepreneurs in Makassar to be able to compete in the global market. Then, if it is identified that in urban areas such as Makassar, the success factor of business incubators is highly dependent on the active involvement of local governments, the availability of financial resources in a solid business network. This research is relevant to see how the role of business incubators in the city of Makassar, especially in Bara-Baraya Timur Village, that the existence of a local incubator that handles MSMEs or entrepreneurs in the village has a very good influence.

There are a few obstacles that researchers found in entrepreneurs in Bara-Baraya Timur Village in collaborating with business incubator leaders. This can be influenced by the human resources of entrepreneurs in the village.

4. CONCLUSION & SUGGESTIONS

The conclusion based on the analysis conducted by the researcher on 10 samples, it can be concluded that the business incubator in Bara-Baraya Timur Village, Makassar District, has a significant influence on the development of the entrepreneurial economy in the region. The business incubator provides support through training, access to capital, and networks that make it easier for entrepreneurs to start and develop their businesses. This contributes to an increase in the number of new businesses, job creation, and local economic growth. The researcher's suggestion is that in the future the training program can be further improved and specific according to the needs of local entrepreneurs, including digital marketing and financial management training.

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