

## **Socioeconomic-Based Management Strategies for Industrial Areas in West Sumbawa Regency**



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### **ABSTRACT**

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West Sumbawa Regency possesses significant potential for the development of industrial areas, bolstered by its abundant natural resources and strategic location. However, suboptimal management of these areas has led to various socioeconomic challenges. This study aims to propose a comprehensive management strategy for industrial areas in West Sumbawa Regency that integrates socioeconomic considerations. A qualitative methodology was employed, with data collected through interviews, observation, and documentation. The data were analyzed using Nvivo 12 Plus software and the analysis of strengths, weaknesses, opportunities and threats (SWOT). The findings indicate that current industrial area management is insufficient, as evidenced by limited community involvement, low quality of life for residents near industrial zones, and underutilization of local resources. Key strategies proposed include the establishment of a dedicated institution for integrated and sustainable management of industrial areas, human resource development focused on enhancing the skills and knowledge of local communities, and economic empowerment through providing access for local communities to participate in industrial value chains and developing small and medium enterprises (SMEs). Furthermore, improving community well-being by enhancing access to education, healthcare, and basic infrastructure is essential. The adoption of sustainable environmental management practices, such as the implementation of eco-industrial park (EIP) principles, is recommended to minimize the environmental impact of industrial activities. The proposed socioeconomic-based management strategy is expected to enhance community welfare and mitigate the adverse effects of industrial area development in West Sumbawa Regency.

## **1. INTRODUCTION**

West Sumbawa Regency, which is located in West Nusa Tenggara Province, has quite promising opportunities for the growth of micro, small and medium enterprises (MSMEs). Industry, one of the pillars of the regional economy, makes a significant contribution to economic expansion and the enhancement of the local population's quality of life. However, despite its importance to industry, socioeconomic factors should be addressed in its management [1]. In order to provide consistency and transparency of information for investors, the West Sumbawa Regency Government prioritizes the concept of legal certainty and openness of investment regulations [2].

Regardless of an investor's country of origin, the government is committed to ensuring transparency and fair treatment. To ensure that local communities benefit from investments, there is a focus on employment opportunities, technology transfer, and economic contributions. West Sumbawa Regency prioritizes efficient resource management

and equitable distribution of benefits, along with a sustainable approach that considers environmental impacts. In the realm of industrial areas, the key to supporting sustainable industrial growth is the efficient management of energy resources, ensuring that environmental integrity is maintained [3, 4]. West Sumbawa Regency aims to foster a competitive and friendly industrial environment that provides long-term benefits to society, leveraging environmental awareness and economic independence [5]. Furthermore, the management of industrial areas is integrated with social values and local cultural practices to achieve economic, social, and ecological sustainability simultaneously [6].

The long-term vision of West Sumbawa Regency is aimed at bringing prosperity and progress to all its residents. It envisions the "realization of West Sumbawa Regency as a region of economic independence through sustainable capital investment and competitiveness, characterized by excellent service," achieved nationally by implementing sustainable investment practices [7].

Key elements of this vision include thinking about how

capital investment must be carried out with solid principles: fast, precise, easy, cheap, transparent, accountable, and fair. All these principles, as noted in Decree No. 13 of 2022, aim to ensure that every investment initiative or policy can produce maximum impact on society and the local economy while ensuring that the entire process is carried out with integrity and transparency [4].

In addition, this vision highlights how crucial excellent service is for capital investment in all its forms. This means that at every level of the investment process, all stakeholders, i.e., investors, society, and government, must receive clear information, adequate facilities, and the best service [8]. Therefore, West Sumbawa Regency positions itself as a forward-thinking region and uses the vision to create a good business climate, which can ultimately encourage long-term economic growth, independence, and prosperity for its entire population.

The most essential tool to improve the economy of a region is investment. The main goal of investing in this situation is more than simply allocating funds. Finding and providing people's basic needs, such as food, clothing, housing, education, and health, is one of its primary goals. Thus, investment has the potential to improve people's standard of living, according to Suprayoga et al. [9]. In addition, investment seeks to support regions in achieving economic independence. Regions can use the resources they have, both natural and human, to create goods and services that have added value through focused capital investment. The regions will only be entirely dependent on central government assistance or other external sources once they achieve economic independence [10].

Based on these conditions, the presence of investment has an impact on welfare. Infrastructure development is considered capable of shifting the real sector, absorbing labor, increasing government and public consumption, and driving economic activity. Investment is often seen as the main force behind the creation of an advanced society, leading to economic growth and employment. Adequate support in the form of new skill training and adaptation to environmental changes is essential, which enables these communities to participate and survive in the new dynamics that arise from socioeconomic-based industrial area management [11]. Job opportunities explain the role of society in achieving development goals, namely community welfare. Community welfare and employment opportunities are interrelated [12]. Evaluation of the impact of investments on the welfare of local communities is necessary to meet this requirement.

It is common knowledge that West Sumbawa Regency, which is a district rich in natural resources, is undoubtedly an investment field for investors. However, this also results in environmental challenges. Research has highlighted the adverse environmental impacts associated with these investments. Therefore, efforts are needed to reduce these negative impacts by consuming natural resources and energy efficiently [13]. In line with this, research reveals that the existence of natural resources is an effort to support individual welfare [1]. The government's primary concern is to preserve the environment to ensure the survival of living creatures. By promoting sustainable development, particularly in industrial areas and the broader Kabupaten Sumbawa Barat (KSB) region, the potential for natural resource-based economic growth in West Sumbawa Regency is substantial. The severity of this destructive impact can be assessed by ensuring the efficient use of energy and natural resources. This aligns with

the findings [1], who underscored the significance of natural resources in enhancing individual welfare.

The West Sumbawa Regency area, although known for its mining industry, especially gold mining, has yet to be fully able to provide a positive impact in alleviating poverty in the area. With the potential for abundant natural resources, it is expected that this industry can make a significant contribution to the local economy and improve the quality of life of the community. However, reality shows that the poverty rate in KSB has remained relatively high despite the presence of the gold mining industry. Table 1 shows the dynamics of poverty levels in West Sumbawa Regency from year to year in detail.

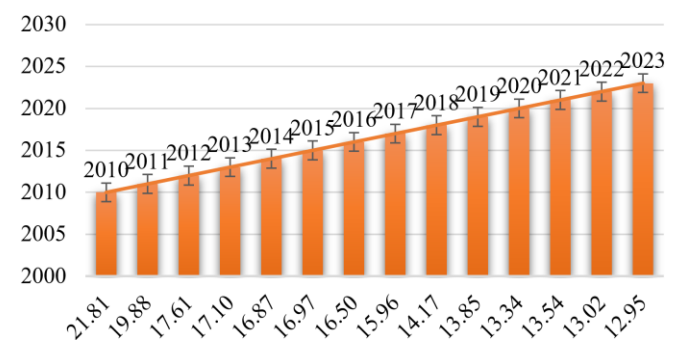
**Table 1.** Local labor

Description	Local KSB	Local NTB	National	Grand Total
AMNT/AMIG/AMIN	440	317	574	1331
Macmahon Indonesia/MLS	1.487	482	706	2675
Business Partners	2.923	1.347	1.281	5.551
Total	4.850	2.146	2.561	9.557
Persentase	50.70%	22.50%	26.80%	100%

Source: Department of Manpower and Transmigration (2022)

Industrial areas, especially the mining sector, are often assumed to be prosperous areas with high incomes, considering the natural potential they have. However, research conducted by Ibrahim et al. [7] reveals opposite facts, especially in the gold mining area in West Sumbawa Regency. Even though this area is rich in mineral resources, paradoxically, the level of welfare of the surrounding community is relatively low.

One indicator that reflects this condition is the relatively high poverty rate (Figure 1). This is reflected in not only people's low income but also several other aspects related to their quality of life. For example, many residents in the gold mining area in West Sumbawa Regency live in houses of inadequate quality both in terms of building materials and other supporting facilities.



**Figure 1.** Number of population and percentage of poor population in West Sumbawa Regency

Source: BPS KSB (2023)

Apart from that, community ownership of agricultural land also needs to show better figures. This indicates that many residents have lost their productive land due to the expansion of mining areas. As a result, alternative sources of income from the agricultural sector are limited. Similar conditions are also observed in the livestock ownership. Livestock, such as cows, goats, or poultry, is often considered a form of investment or savings for rural communities. The low level of

livestock ownership shows that many residents need to have valuable assets to guarantee their future or when facing emergencies.

Mining industrial areas are often associated with abundant natural wealth and the potential for significant economic profits. However, existing data shows that although the possibility exists, not necessarily the entire surrounding community gets a fair share of this wealth. This underlines the urgency to reevaluate and improve existing management policies of the mining industry. Without proper evaluation and intervention, only a small number of individuals or entities gain maximum benefits, while the majority of surrounding communities remain marginalized. In this context, socioeconomic considerations become very crucial. An industrial area, especially a mining area, must be managed with a focus on extraction and profit. Instead, it must also pay attention to socioeconomic impacts and how economic benefits can be distributed relatively among local communities.

## 2. METHOD

To study the socioeconomic-based management strategies for industrial areas in West Sumbawa Regency, a variety of methods were employed to gain a comprehensive understanding of the social, economic, cultural, and environmental dynamics. The methods used are as follows:

- Case study: This method was used to perform an in-depth analysis of the management strategies in West Sumbawa Regency. By conducting detailed interviews with individuals or community groups, personal experiences were uncovered, changes were observed, and challenges faced by the community were identified [14].
- Survey: Surveys were conducted among coastal community members to help sketch a broad profile of their demographic characteristics, livelihoods, educational backgrounds, health status, and perceptions of gold mining activities [15].
- Interviews: Structured interviews were conducted with local residents to provide deep insights into their perspectives, experiences, and transformations due to mining activities. Interviews were also extended to other stakeholders, including mining companies, local government officials, and non-governmental organizations (NGOs).
- Secondary data analysis: This involves gathering and analyzing existing data from government reports, prior research, and statistical databases to outline demographic and economic features, as well as environmental conditions in the mining areas [16].
- Focus group discussion (FGD): FGD was conducted with members of coastal communities to collect unified perspectives on the issues they had encountered and their adaptation strategies.
- Spatial analysis: Geographic mapping and spatial analysis were utilized to delineate mining sites, track environmental change patterns, and plot the settlements of coastal communities. This method helps visualize the interactions between mining operations and societal structures [17].

In this study, the data collection process involves interviews, surveys, FGD, and observations to gain insight from various sources. Sampling strategies include stratified,

random, purposive, and stratified techniques to ensure the representativeness of a wide range of stakeholders and local communities. The research approach involves qualitative methods to understand themes and patterns, quantitative methods for statistical analysis and economic models, and participatory methods to involve stakeholders in the planning and decision-making process. With this approach, this study aims to produce an industrial area management strategy that is effective, sustainable, and responsive to local socioeconomic needs.

In addition, interviews were conducted with various stakeholders in this study to obtain a comprehensive perspective. The 30 interviewees include local government officials, industrial area managers, local entrepreneurs, experts, and academics, as well as people from local communities, community groups or NGOs, depending on the specific needs of the research and the complexity of the topic. Through interviews with various parties, challenges, impacts and recommendations for more effective and sustainable management strategies for industrial areas were identified [18].

A good research interview process involves thorough preparation, structured execution, and careful post-interview evaluation. Preparation includes determining objectives, selecting respondents, and preparing interview guidelines. During the interviews, it is important to listen actively, maintain neutrality, and note non-verbal observations. Following the interviews, transcription and data analysis were conducted to identify themes and patterns. The entire process must be carried out in compliance with research ethics, including maintaining confidentiality and ensuring informed consent, thereby producing valid and meaningful data [19].

SWOT analysis involves identifying internal factors (strengths and weaknesses) and external factors (opportunities and threats) of an organization or project, which are then arranged in a SWOT matrix. Based on this analysis, strategies can be developed to exploit strengths and opportunities and overcome weaknesses and threats. Continuous implementation and evaluation is necessary to ensure the effectiveness of the chosen strategy. SWOT analysis helps organizations plan more focused and directed steps [20].

NVivo 12 Plus was used in this study, allowing researchers to organize, analyze and visualize qualitative data effectively. This process includes collecting and coding data from various sources, analyzing relationships between socioeconomic factors, and developing data-based strategies. The results of this analysis help formulate relevant and evidence-based recommendations to improve sustainable management of industrial areas, paying attention to the balance between social and economic impacts for all stakeholders [21].

Each method has its own advantages and disadvantages. In designing research, it is important to choose methods that suit the research objectives and available resources. The combination of several methods can also provide a more comprehensive understanding of the role of coastal village-owned enterprises in empowering communities in gold mining areas in West Sumbawa.

To address the research objectives, various analytical approaches were employed. The first objective was analyzed using NVivo 12 Plus, while the second objective utilized a SWOT analysis framework. The first objective of this study is to use an analytical method in the form of content analysis. Content analysis relies on codes found in a recording text during interviews conducted with subjects in the field. In

carrying out content analysis, it is assisted by using qualitative research software. Nvivo 12 Plus is software that is commonly used for qualitative research. Produced by QSR International, Nvivo software has many advantages and can significantly improve the quality of research. Qualitative data analysis becomes easier and produces more professional results [22].

In the Nvivo 12 Plus software, the percentage/value of a factor that often appears is called percentage coverage. Percentage coverage is a value considered in determining the factors that influence the socioeconomic-based management for industrial areas in West Sumbawa Regency. If each factor has a percentage of occurrence, then that factor has an effect. Likewise, if the factor formed does not have a value/percentage, then the factor has no effect or the factor is reduced. Apart from that, new factors can also be created from interview data [23]. SWOT analysis is a valuable tool in designing strategies in environmental management, and supplies the basic foundation for identifying situations and designing procedures needed in strategy development. The SWOT matrix analyzes internal strengths and weaknesses as well as external opportunities and threats to obtain promising strategies [24].

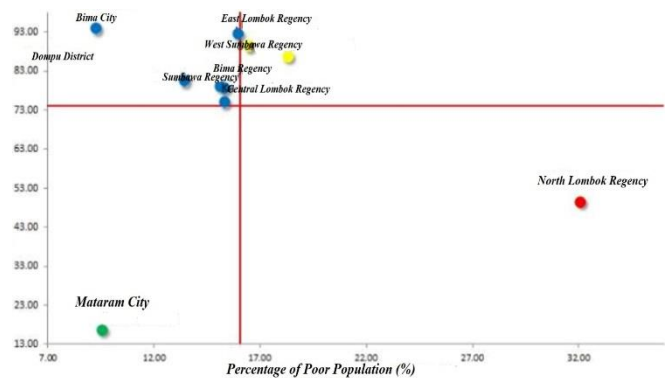
### 3. RESULTS AND DISCUSSION

A socioeconomic-based management strategy for industrial areas in West Sumbawa Regency needs to be prepared comprehensively and integrated with various aspects, including economic, social, and environmental factors. This strategy needs to refer to the vision and mission of regional development, as well as the potential and opportunities possessed by West Sumbawa Regency. The following are several socioeconomic-based management strategies for industrial areas in West Sumbawa Regency: (a) Local potential-based industrial development. West Sumbawa Regency has diverse natural resource potential, such as agriculture, plantations, fisheries, and tourism, which can be developed into a local-based industry that can provide added value and improve community welfare. In developing a local-based sector, it is necessary to study the potential and existing opportunities. Apart from that, it is also required to provide guidance and assistance to small and medium industry players (IKM) so that they can develop their businesses in a sustainable manner; (b) Creation of extensive employment opportunities. Management of industrial areas needs to be directed at creating extensive employment opportunities for the community. This can be done by encouraging investment from various sectors, both domestic and foreign. In attracting investments, it is necessary to carry out promotion and outreach to potential investors. Apart from that, it is also required to provide adequate infrastructure and facilitate bureaucracy; (c) Increasing community welfare. Management of industrial areas needs to be directed at improving community welfare. This can be done by encouraging an increase in people's income, reducing poverty rates, and improving people's quality of life. In order to improve community welfare, it is necessary to carry out community empowerment programs, such as skill training, business capital assistance, and social security; (d) Environmental conservation. Management of industrial areas needs to pay attention to environmental preservation aspects. This is important to preserve natural resources and prevent environmental pollution. In protecting the environment, it is

necessary to manage industrial waste properly and correctly. Apart from that, it is also required to plant trees and reforestation in industrial areas.

The following are several policies that can support the implementation of socioeconomic-based management strategies for industrial areas in West Sumbawa Regency: (a) Fiscal policy. The government can provide fiscal incentives to investors in industrial areas. These fiscal incentives can take the form of tax breaks, import duty exemptions and subsidies, (b) Non-fiscal policies. The government can provide bureaucratic convenience to investors. This bureaucratic convenience can take the form of accelerating licensing, simplifying procedures and deregulation. (c) Regulatory policy. The government needs to formulate regulations that support the socioeconomic-based development of industrial areas. These regulations can be in the form of regional regulations, governor regulations, or ministerial regulations. Implementation of a socioeconomic-based management strategy for industrial areas in West Sumbawa Regency needs to involve various parties, both the government, the private sector and the community. Good cooperation between those parties is the key to success in realizing this strategy.

However, according to BPS data, economic inequality or index in Nusa Tenggara Barat Province has increased. Ironically, economic inequality has been increasing in rural areas. In addition, the absolute number of poor people has increased. Absolute poverty is the situation of a population or part of the population who can only afford the food, clothing and housing that are absolutely necessary to maintain a minimum standard of living. In absolute terms, the poor population in urban areas increased by around 4,740 people from 370,380 people to 375,120 people. On the other hand, the absolute poor population in rural areas decreased by 6580 people from 367,080 people to 360,500 people. This means that the income of people in rural areas is getting better compared to residents in urban areas where the poor population is increasing.



**Figure 2.** Grouping of regions based on percentage of poor population

Source: <https://ntb.bps.go.id/id>

Figure 2 shows the grouping of regions based on the percentage of poor population. Based on the percentage of poor people and the proportion of households with adequate drinking water, North Lombok district is the first priority for West Nusa Tenggara, followed by West Lombok and West Sumbawa districts (the second priority). The third priority includes Bima City, East Lombok, Dompu, Sumbawa, Bima, and Central Lombok districts, while Mataram City demonstrates a relatively high proportion of households with



access to drinking water. Industrial activities have shown to create improvements compared to previous conditions. The impact of industrial development on the variables of livelihood diversification, social interaction, and educational value has a positive and negative correlation. If the industrial growth continues to increase, employment opportunities, multiple livelihoods, and changes in the mindset of the community can be provided.

It should be noted that, geographically, Sekongkang and Maluku districts are closer to the industrial areas. In fact, the number of MSMEs in these districts appears to be lower compared to the Jereweh District. This raises questions related to the potential for collaborative networks between MSMEs and the industrial sector, as well as the impact of geographical factors on the preferences and business orientation of MSMEs in the region. Therefore, local economic development strategies should consider not only economic variables but also geographical or topological factors that influence the business decisions and choices of MSMEs in each sub-district.

The data above was obtained from the Manpower and Transmigration Service, which includes the distribution of worker recruitment from companies in the West Sumbawa Regency area. AMNT/AMIG/AMIN companies have a total of 1,331 workers, with details coming from local KSB (440 people), local NTB workers (317 people), and national workers (574 people). The Macmahon Indonesia/MLS Company recorded a higher number of workers, with a total of 2,675 people, with the majority coming from local KSB (1,487 people), local NTB workers (482 people), and national workers (706 people). Business Partner Companies are the most significant contributors, with a total of 5,551 workers, with local KSB (2,923 people), local NTB workers (1,347 people), and national workers (1,281 people). Overall, the number of workers from the three companies reached 9,557 people. In terms of percentages, the absorption of local workers from KSB is the largest, accounting for 50.70%, followed by national workers at 26.80% and local NTB workers at 22.50%.

The data in Table 2 shows that 54 foreign workers were involved in the Batu Hijau project in the period of June 2022, while the number of foreign workers in the Smelter project was 47 in July 2022.

**Table 2.** Foreign workers

Location	Amount	Period
Project Batu Hijau	54 People	June 2022
Project Smelter	47 People	July 2022

Source: Department of Manpower and Transmigration (2022)

Although industrial management, especially smelter companies, is expected to bring positive economic growth and better employment through one-stop recruitment, exemplary corporate social responsibility (CSR) implementation, and the provision of educational scholarships, the community also has concerns and is dissatisfied with the current situation by emphasizing the need for industrial companies to support local communities better and ensure a more significant positive impact in social and economic sectors. In the overall interview results, it can be concluded that social and economic issues are very relevant in the management of industrial areas, and further attention is needed to achieve a better balance between industrial interests and the welfare of local communities.

The intensity of interviews with the people of Jereweh District, as shown in Figure 3, reflects the relevance of the

relationship between keywords such as industry, community, workforce, social economy, problems, impacts, factors, smelter, and the role of government in managing industrial areas in the region. This emphasizes the complexity and interconnection between different elements in the context of industrial area management, where industry is not only the center of the economy but also has a significant impact on society, labor, and other factors. In interviews, people raised concerns related to obstacles to MSMEs and the monopoly of large companies, and they highlighted the socioeconomic impact on their lives. These factors reflect the various challenges that must be overcome in efforts to manage industrial areas that are sustainable and have a positive impact on local communities. One important emerging aspect is the problem of absorbing local labor.



**Figure 3.** Interview intensity  
Source: Processed using Nvivo 12 Plus

The local workforce often needs help with the skills required for the industry. In this case, the role of smelters is also relevant because it is related to improving the social economy and welfare of local communities. Therefore, understanding the relationship between industry, the local workforce, and skills development is critical to addressing the problem and maximizing the industry's positive impact on society and the region's socio-economy.

### 3.1 Management strategy of industrial areas

Table 3 presents the results of the SWOT analysis, illustrating the internal and external strategic factors involved in managing industrial areas. The analysis aims to quantify the internal and external strategic capabilities by calculating the total internal factor analysis summary (IFAS) and external factor analysis summary (EFAS). This information was presented in an internal-external (IE) matrix, which aids in positioning industrial areas to determine appropriate alternative development strategies. Subsequently, these strategies were further analysed using a SWOT matrix, identifying four alternative strategic cells and determining strategic priorities based on the positioning received.

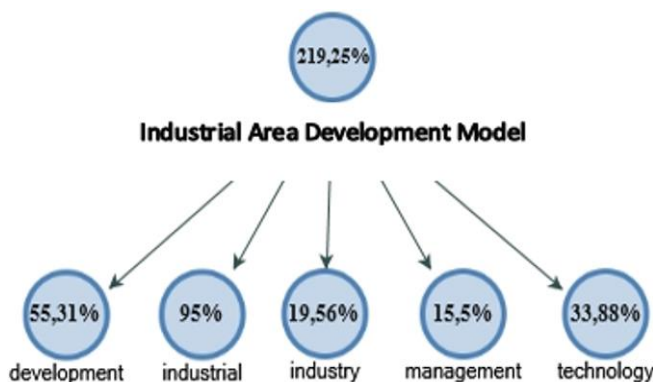
The SWOT analysis in Table 3 shows the internal and external strategic factors in managing industrial areas based on social and economic sustainability in West Sumbawa.

**Table 3.** SWOT analysis for socioeconomic-based management of industrial areas

IFAS	Strengths	Weaknesses
	<ul style="list-style-type: none"> <li>● Economic growth</li> <li>● Infrastructure development</li> <li>● Absorption of labor</li> <li>● Security stability</li> </ul>	<ul style="list-style-type: none"> <li>● Disrupted economic conditions</li> <li>● Decreasing purchasing power of people</li> <li>● No educational scholarships</li> <li>● Inconsistent CSR policies and programs</li> </ul>
EFAS	Opportunities	Threats
	<ul style="list-style-type: none"> <li>● Revenue from APBD posture</li> <li>● Economic growth</li> <li>● Acceleration of infrastructure development</li> </ul>	<ul style="list-style-type: none"> <li>● Public distrust of the government and industry</li> <li>● Disharmony between local residents and immigrants</li> <li>● Domination of immigrants in the economic sector</li> </ul>

Source: Data analysis, 2023

The most significant development of industrial areas and related issues have been discussed in the latest publications in the field of social sciences. These issues have been raised in recent discussions in various social science journals. As shown in Figure 4, a node in the network is the keyword, while connection describes the association of nodes. The figure shows the frequency percentage of simultaneous occurrences. The industrial area development is often related to the keywords "development" (55.31%), "industrial" (95%), "industry" (19.56%), "management" (15.5%), and "technology" (33.88%). As a location specifically designed and prepared to accommodate a high concentration of industrial operations, an industrial area is equipped with the necessary infrastructure and facilities to support these activities and is supervised by a company that specializes in industrial areas. This is different from a non-industrial area because it does not have the infrastructure and facilities needed for industrial concentration.



**Figure 4.** Industrial area development model

Source: Processed using Nvivo 12 Plus

In Indonesia, the government initially took responsibility for regional industrial development through state-owned enterprises (BUMN) as a response to the increasing number of industries that caused environmental pollution, inadequate infrastructure, and problems with the development of residential areas around industrial sites. However, apart from increasing investments from within and outside the country, the government, through Presidential Decree No. 53 dated 27 October 1989, permitted the development of industrial areas by the private sector.

The various benefits of the industrial areas in KSB range from economic growth, infrastructure development, employment absorption, and security stability. However, there are also many areas for improvement, including disrupted economic conditions, declining purchasing power, non-existent educational scholarships and policies, and inconsistent CSR programs. The advantages of the industrial

regions can be used as capital for regional development [2].

Based on the EFAS for socioeconomic-based management of the industrial areas in West Sumbawa Regency, it can be analyzed that the success of the industrial area development is greatly influenced by various external factors both in the form of opportunities and threats. Opportunities such as increased investment, government policy support, and technological advances can be utilized to accelerate development and improve the competitiveness of the industrial areas. Meanwhile, threats such as economic instability, competition from other industrial areas, and potential environmental problems need to be anticipated with appropriate strategies so as not to hinder the development of the region.

To achieve sustainability and successful management of industrial areas, a strategy is needed to maximize existing opportunities while managing and minimizing the impact of the threats. A comprehensive and adaptive approach is essential to ensure that industrial areas in West Sumbawa Regency not only develop economically but also provide significant social benefits for local communities.

**Table 4.** Matrix of the internal strategic factors

Internal Strategic Factors	Weight	Rating	Score
<b>Strengths</b>			
Economic growth	0.11	4.5	0.5
Infrastructure development	0.17	5	0.83
Employment absorption	0.11	3.5	0.39
Security stability	0.11	5	0.56
<b>Weaknesses</b>			
Disrupted economic conditions	0.17	4	0.67
Decreasing purchasing power of the community	0.17	4	0.67
Lack of educational scholarships	0.06	2	0.11
Inconsistent CSR policies and programs	0.11	2	0.22
Total	1	41	3.94

Source: Data analysis, 2023

Internal factors in the socioeconomic-based industrial management of West Sumbawa Regency, as indicated by matrix weights shown in Table 4, have a score of 3.94. This demonstrates that the region's industrial sector is robust and well-positioned to support the development of KSB. This finding aligns with previous research which suggests that industrial areas, being hubs of concentrated industrial activities supported by adequate facilities and infrastructure [25], benefit from mixed investments [26], experience significant workforce mobility [27], and contribute to increased productivity [28], thereby positively impacting the regional economy [29].

The EFAS is a tool used to analyze and evaluate external factors that influence management strategies, in this case, the socioeconomic-based management of industrial areas in West

Sumbawa Regency. EFAS helps to identify opportunities and threats emerging from the external environment.

Based on the EFAS in this study (Table 5), the external environment provides more opportunities than threats for the development of the area. The total opportunity score of 2.07 indicates that factors such as increased investment, government policy support, and technological advances can make a significant positive contribution to the management of industrial areas.

Even though there are threats such as economic instability and competition with other industrial areas with a total score of 1.59, these threats can relatively be overcome with the right strategy. With an overall score of 3.66, it can be concluded that external conditions support the development of industrial areas in West Sumbawa Regency, provided that the management strategy adopted is able to take advantage of opportunities and

minimize the impact of threats.

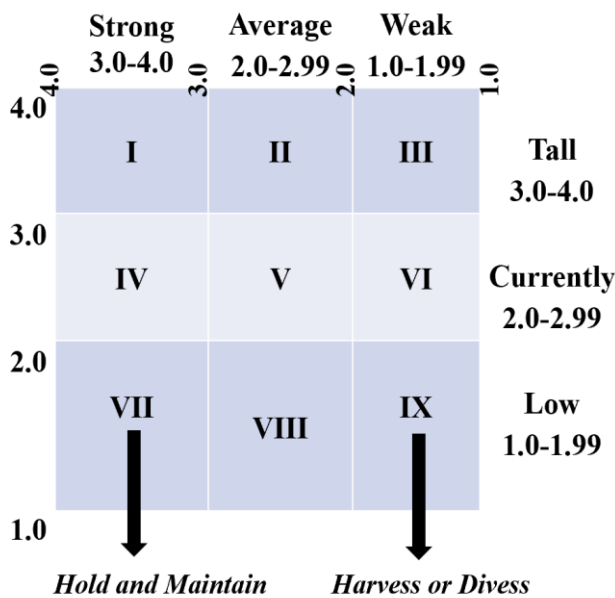
Therefore, industrial area managers must focus on optimizing opportunities while implementing effective mitigation measures to overcome threats in order to ensure the success and sustainability of socioeconomic-based industrial area management in this area.

Management of industrial areas based on socioeconomics has external impacts. The results of external strategy identification (Table 5) show that the total weighting score is 3.66, indicating that there is an opportunity to avoid existing threats. In this condition, alternatives are needed to anticipate this threat. This statement is supported by the results of research on the exploitation of various natural resources [25], the tendency to utilize high groundwater [30], suboptimal management practices, and the active role of institutions as drivers of the social system [31].

**Table 5.** External strategic factor matrix

External Strategic Factors	Weight	Rating	Score
<b>Opportunities</b>			
Revenue from the local government budget	0.14	4	0.57
Economic growth	0.14	3.5	0.50
Acceleration of infrastructure development	0.14	3	0.43
Sustained and preserved livelihoods for the community	0.14	4	0.57
<b>Threats</b>			
Public distrust in the government and industry	0.14	4	0.57
Lack of harmony between local residents and newcomers	0.07	3.8	0.27
Dominance of newcomers in the economic sector and other strategic sectors	0.07	3.5	0.25
Economic monopolies by companies	0.14	3.5	0.50
<b>Total</b>	<b>1</b>	<b>3</b>	<b>3.66</b>

Source: Data analysis, 2023



**Figure 5.** Internal and external matrix  
Source: IFAS and EFAS Matrices (Data analysis, 2023)

Based on Figure 5, the IFAS and EFAS matrix weight values show that the internal and external contribution values are more profitable and have better opportunities for managing industrial areas in KSB. The data in the SWOT analysis reinforce this condition. The IFAS score is 3.94, and the EFAS score is 3.66, both of which are in a strong position.

Presidential Decree No. 53/1989 permitted private involvement, which brought in more investments. This

decision provided a significant boost to economic growth but also created new challenges, such as the potential for economic monopoly by large corporations and public distrust of government and industry.

Based on the SWOT analysis and IFAS in Table 4 and Table 5, the main strengths of the industrial areas in KSB are economic growth, infrastructure development, employment, and security stability. The total score of 3.94 shows that these aspects provide a strong foundation for the development of industrial areas. Weaknesses such as disrupted economic conditions, declining people's purchasing power, and inconsistent CSR policies are serious challenges. Inconsistent CSR initiatives, for example, can exacerbate public distrust of companies and governments, which in turn hinders sustainability and local support for industrial projects. The total score of 3.66 for EFAS indicates that existing opportunities such as revenues from the Anggaran Pendapatan Belanja Daerah and accelerated infrastructure development are strong enough to overcome threats. However, threats such as public distrust, disharmony between residents and immigrants, and economic monopoly by large companies can trigger social and economic tensions that undermine regional stability.

The implication is the need for a strategy that is more focused on strengthening public trust through a more structured and sustainable CSR program. There is a need for strict supervision to prevent economic domination by immigrants or large companies, which can create socioeconomic inequality in local communities.

The combination of IFAS and EFAS shows that there are great opportunities for the development of industrial areas; the risks posed by internal weaknesses and external threats should





#### 4. CONCLUSIONS

Several important points can be elaborated on in the main findings of this study. First, the socioeconomic characteristics of industrial areas vary greatly, but there are similarities, such as increased employment opportunities, income, and supporting infrastructure. There is also educational involvement and technological innovation aimed at helping local industrial needs. Second, obstacles and challenges in managing industrial areas include limited infrastructure and market access, conflicts with local communities, and changes in government policies. In addition, the need for more skills in the local workforce and the challenges of competitiveness in the global market are also concerns. To address these challenges, it is recommended that socioeconomic management strategies focus on enhancing the skills of the local workforce through targeted training programs. Greater attention from both the government and the private sector is also required, alongside efforts to raise public awareness. An approach that considers local wisdom and involves community leaders in policy-making is also essential to achieving sustainable and inclusive management for industrial areas. This means that this study highlights the importance of close collaboration between various parties and a holistic approach to managing industrial areas so that they can support economic growth without compromising the social welfare of local communities.

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