ABSTRACT

MSMEs play an important role in driving economic growth, creating jobs, and spurring regional development. Despite facing challenges such as the COVID-19 pandemic, the MSME sector remains the main driver of the Bandung City economy. This research was conducted with the aim of knowing how much influence MSMEs and labor partially or simultaneously have on the GRDP of Bandung City.

The data source in this study uses secondary data, taken from the official report of BPS Bandung City, OpenData Bandung, the Bandung City Cooperative and MSME Office, and the Bandung City Manpower Office. This research uses Stata17 tools to test multiple linear regression analysis, classical assumptions, and hypothesis testing.

The results of this study indicate that the number of MSMEs and labor has a partial and simultaneous negative influence on the economic growth of Bandung City as seen from GRDP.

To improve the contribution of MSMEs and labor to the economic growth of Bandung City, the government is advised to provide skills training, technical guidance, and facilitate collaboration between MSMEs. These measures are expected to improve the contribution of MSMEs and labor to the economic growth of Bandung City and turn the negative influence into a positive one in the future.

Keywords: MSMEs, Labor, Economic Growth, Bandung City