



RESEARCH ARTICLE

Do Locally-Generated Revenue, Labor Absorption, and Parking Fees Truly Drive the MSME Multiplier Effect? A Case Study of *Pisang Epe Mandiri* at Losari Beach, Makassar

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Abstract

Culinary Micro, Small, and Medium Enterprises (SMEs) in coastal tourism areas play a strategic role in driving local economic circulation; however, empirical studies specifically evaluating their broader multiplier effect through multiple local economic channels remain limited. Most previous research predominantly focuses on general business performance or direct tourism revenue without dissecting the indirect mechanism of local economic spillover. This study aims to analyze the influence of labor absorption, parking retribution, and Regional Original Revenue (PAD) on the multiplier effect of Pisang Epe Mandiri SMEs at Losari Beach, Makassar City. Utilizing a descriptive quantitative approach with a case study design, data were gathered from 62 purposively selected respondents, including business owners, employees, parking attendants, local officials, and visitors. Data were analyzed using multiple linear regression. The findings reveal that labor absorption and parking retribution exert positive and statistically significant effects on the economic multiplier effect, whereas PAD shows a positive but statistically insignificant influence due to tax exemption policies for micro-enterprises under current thresholds. Simultaneously, all variables significantly determine the economic multiplier effect, accounting for a major portion of its variance. This research fills a gap in tourism economics literature by demonstrating how informal culinary SMEs serve as vital economic drivers through localized job creation and tourism infrastructure support, providing strategic insights for local government policy in optimizing tourism-based SME development.

Keywords

Multiplier Effect; Labor Absorption; Parking Retribution; Regional Original Revenue (PAD); Culinary SMEs; Losari Beach.

1 | INTRODUCTION

Sustainable and inclusive economic development across developing countries increasingly positions the Micro, Small, and Medium Enterprise (MSME) sector as a key engine driving regional economic resilience workforce (Saragih et al., 2025). This strategic role is demonstrated through the high contribution of MSMEs to the national Gross Domestic Product and their dominance in absorbing the workforce (Ismail et al., 2023). In coastal tourism destinations such as Makassar City, culinary MSMEs serve as a critical bridge connecting tourist flows with local income generation (Side, 2024). The Losari Beach tourism corridor hosts specialized culinary vendors most notably "Pisang Epe Mandiri" whose business activities generate intensive monetary circulation across the local economic ecosystem (Sari et al., 2025). Theoretically, visitor spending at tourist destinations transmits local economic impacts through three primary levels: direct, indirect, and induced effects. Direct effects arise spontaneously from transaction payments for goods and services received by culinary vendors. Meanwhile, indirect effects emerge when business owners spend their earnings to purchase raw material supplies and pay for supporting services in the surrounding area (Asnawi, 2020). Furthermore, induced effects are formed through the enhanced purchasing power of local households derived from wages paid to workers absorbed by the business unit. From an internal capability perspective, recruiting local labor serves as a primary pillar for building competitive advantage and driving local household income (Khaerunnisa, 2019). Absorbing local labor not only helps reduce unemployment around tourist areas, but also channels direct income into local households (Pajriah et al., 2025). This increase in household income boosts the marginal propensity to consume, encouraging secondary spending at local markets and neighborhood businesses. This repeated circulation of secondary consumption ultimately reinforces the economic multiplier effect at the regional level. On the other hand, intense culinary activity in coastal areas drives high visitor mobility, requiring adequate supporting facilities and infrastructure (Melinda & Aprirachman, 2026). The high influx of visitors arriving to enjoy local food directly increases the daily earnings of parking attendants operating around the business location. This phenomenon demonstrates that the economic benefits generated by culinary activities spill over into non-culinary supporting services. Beyond expanding cash circulation among lower-income groups, these parking activities also contribute directly to local retribution revenues (Huwaida, 2023). Meanwhile, local public revenue is collected through Regional Original Revenue (PAD) derived from official local taxes and retributions (Rahmawati, 2022). However, in the context of street-level micro-enterprises, tax contributions are shaped by non-taxable income threshold regulations. Micro-enterprises operating below specific annual revenue thresholds are exempt from direct tax payments to the local government treasury (Jannah et al., 2025). This context explains why the economic impact of traditional culinary MSMEs is predominantly felt through real cash circulation on the ground rather than formal tax channels (Pratiwi & Tutik, 2025). Although tourism economics research has been widely conducted, previous studies have predominantly focused on macroeconomic multiplier evaluations of entire tourist destinations (Huwaida, 2023). On the other hand, several studies have focused strictly on analyzing the internal financial performance of individual business owners (Astuti, 2021). Empirical research systematically integrating labor absorption, parking retribution, and PAD channels simultaneously within a specific micro-level culinary business remains scarce. This research fills this academic gap by providing an in-depth analysis of the multiplier effect model focusing on the "Pisang Epe Mandiri" MSME at Losari Beach, Makassar City. Methodologically, this study adopts a descriptive quantitative approach with a case-study design (Side, 2024). Primary data were gathered using structured questionnaires distributed to 62 purposively sampled respondents. These respondents included business owners, operational workers, parking attendants, local government officials, and tourists. The collected data were analyzed using multiple linear regression via IBM SPSS Statistics 27 to test the research hypotheses. Overall, the findings of this study are expected to provide practical insights for formulating tourism-based regional economic development policies (Hamdani et al., 2025). The results offer strategic recommendations for the Makassar City Government regarding spatial business organization, parking retribution administration, and MSME empowerment programs. The structure of this manuscript is organized into the Research Method section, Results and Discussion section, and concludes with the Conclusion and Suggestion section.

2 | BACKGROUND THEORY

2.1 Tourism Economics

Tourism development is strategically designed to accelerate economic growth, enhance community welfare, and alleviate unemployment (Anggarawati et al., 2022). From a macro perspective, the World Tourism Organization defines tourism activities as short-term travel that generates direct economic transactions in host destinations (Syahdan, 2022). In coastal tourism contexts, tourist expenditure on local amenities and culinary products acts as an external monetary injection that stimulates local economic activities (Hasriadi et al., 2023). Consequently, tourism functions as a primary driver that empowers local micro, small, and medium enterprises (MSMEs) as core mechanisms for distributing economic benefits to the surrounding community (Fikram & Irawan, 2024).

2.2 Multiplier Effect

The conceptual foundation of the multiplier effect traces back to Richard Kahn and was further formalized in macroeconomics by John Maynard Keynes (Melinda & Aprirachman, 2026). Keynesian multiplier theory posits that an initial autonomous injection of expenditure generates a series of secondary income rounds across connected economic sectors. In local tourism economics, this multiplier mechanism operates through three interconnected levels: direct effects from initial tourist purchases, indirect effects generated by business supply chain purchases and service fees, and induced effects resulting from local household consumption funded by employee wages (Asnawi, 2020).

2.3 Micro, Small, and Medium Enterprises (MSMEs)

In statutory frameworks, Law No. 20 of 2008 categorizes MSMEs based on asset thresholds and annual sales performance to distinguish micro, small, and medium business scales (Lubis & Salsabila, 2024). Modern growth theory emphasizes that MSMEs foster regional economic resilience through continuous capital accumulation, flexible employment creation, and localized production activities (Syaputri et al., 2026). Within national economic structures, MSMEs serve as vital backbones due to their high capacity for labor absorption and numerical dominance across sectors (Vinatra et al., 2023). Furthermore, culinary MSMEs in tourism destinations often transition from simple livelihood activities into dynamic small enterprises that actively trigger broader economic spillovers (Astuti, 2021).

2.4 Theoretical Linkage of Labor Absorption to the Economic Multiplier

Labor encompasses individuals willing and able to perform productive activities to generate income for household livelihood (Arifin, 2023). Within the Resource-Based View (RBV) framework, absorbing local labor serves as an internal strategic capability that enhances operational efficiency and customer service quality in culinary MSMEs (Khaerunnisa, 2019). Theoretically, labor absorption directly drives the economic multiplier effect through the Keynesian wage-transmission mechanism. Increased local employment elevates total household disposable income, thereby raising the marginal propensity to consume (MPC) within the local economy and creating repeated rounds of secondary consumer spending across neighborhood markets (*induced effect*) (Pajriah et al., 2025).

2.5 Theoretical Linkage of Parking Retribution to Tourism Area Economics

In tourism destination economics, visitor mobility relies heavily on physical infrastructure and public service amenities (Awaliyah et al., 2024). Parking retribution represents a compulsory user fee levied under Law No. 28 of 2009 for the utilization of public parking facilities provided in commercial and tourist zones (Rahmawati, 2022). Theoretically, intense tourist visits to culinary MSMEs stimulate indirect economic spillovers (*indirect effect*) by increasing the daily fee collection of informal parking operators (Melinda & Aprirachman, 2026). Furthermore, this mechanism links visitor expenditure directly to the *Government Revenue Multiplier*, converting tourist volume into local public revenue for regional infrastructure maintenance (Huwaida, 2023).

2.6 Theoretical Linkage of Local Genuine Income (PAD) to Local Finance

From a local public finance perspective, Local Genuine Income (PAD) reflects a regional government's fiscal capacity to fund public services and regional development under decentralization principles (Rahmawati, 2022). Comprising local taxes, retributions, and asset management yields, PAD acts as a fiscal indicator of regional economic expansion (Pratiwi & Tutik, 2025). However, in micro-enterprise contexts, modern tax regulations exempt small vendors earning below non-taxable revenue thresholds from direct income taxes (Jannah et al., 2025). Consequently, while macro PAD expansion reflects overall economic growth, micro-level culinary MSMEs transmit their multiplier impact more strongly through direct informal cash flows and local employment rather than formal fiscal channels.

3 | METHOD

3.1 Research Type

This study adopts a descriptive quantitative approach with a case-study design focusing on the "Pisang Epe Mandiri" MSME in the Losari Beach area, Makassar City. The descriptive quantitative approach is utilized to statistically measure and describe research variables, while the case-study design enables an in-depth evaluation of local multiplier transmission channels within a high-capacity micro culinary business. Data comprise primary data collected via structured questionnaires, in-depth interviews, and field observations, alongside secondary data sourced from official local government reports and literature.

3.2 Population and Sample

The research population encompasses all stakeholders directly involved in or affected by the economic operations of Pisang Epe Mandiri at Losari Beach. A total sample of 62 respondents was established using a *purposive sampling* technique (Sugiyono, 2024). The methodological rationale for utilizing purposive sampling is that the study requires specific inclusion criteria; respondents must possess empirical knowledge, operational involvement, and direct economic engagement with the business entity, which cannot be captured through random sampling. The 62 purposively selected respondents comprise five key stakeholder groups:

- 1) Owner of Pisang Epe Mandiri (1 respondent) as the primary business operator.
- 2) Operational workers (4 respondents) receiving direct wages and understanding internal workflow.
- 3) Parking managers/attendants (3 respondents) experiencing indirect economic spillovers.
- 4) UPT Losari Beach Management staff (3 respondents) overseeing spatial governance and retribution collections.
- 5) Visitors/tourists (51 respondents) engaging in direct culinary consumption.

3.3 Data Collection Technique

Data were collected through field observations, in-depth interviews, and structured questionnaires. The questionnaire utilized a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) to quantify respondents' perceptions. In-depth interviews were conducted with business owners and local government officials to examine taxation regulations, retribution management, and labor systems.

3.4 Research Instruments and Operational Definitions

Variables were measured using specific operational indicators:

- 1) Labor Absorption (X1) : Measured by employment creation for local residents, contribution to local unemployment reduction, utilization of Makassar native labor, expansion of workforce needs alongside business growth, and local community involvement.
- 2) Parking Retribution (X2): Measured by visitor vehicle mobility intensity, parking space availability and capacity, support for culinary tourism activities, and parking revenue increases during visitor surges.
- 3) Local Genuine Income / PAD (X3): Measured by positive regional economic contribution, support for Makassar City economic growth, visitor-driven business activity acceleration, and optimal culinary tourism utilization for regional revenue.
- 4) MSME Multiplier Effect (Y): Measured comprehensively across five operational indicators: (a) income increase among communities surrounding Losari Beach, (b) stimulation of surrounding business growth, (c) acceleration of local economic activity turnover, (d) creation of tangible economic benefits for local residents from tourist expenditure, and (e) overall support for Losari Beach tourism area development.

3.5 Data Analysis Technique

Data analysis used multiple linear regression to test the effect of labor absorption (X₁), parking retribution (X₂), tax revenue (X₃), and Local Genuine Income (X₄) on the MSME multiplier effect (Y). The regression model was first tested through normality, multicollinearity, and heteroskedasticity tests, followed by the t-test, F-test, and coefficient of determination (R²) to test the research hypotheses.

3.6 Descriptive Analysis

Descriptive analysis is used to organize and categorize primary questionnaire data for both independent and dependent variables. Using Microsoft Excel, the respondents' average scores are calculated and classified into very high, high, low, or very low levels, then presented in a frequency distribution table to provide a comprehensive overview of the phenomenon.

3.7 Validity Test

The validity test was conducted using the Corrected Item-Total Correlation method with the assistance of SPSS for Windows software. The testing aims to determine the level of validity of each statement item in measuring the research variables. An item is declared valid if the Corrected Item-Total Correlation value is greater than the r-table value at a significance level of 5% ($\alpha = 0.05$). The validity test formula is calculated using the Pearson Product Moment correlation as follows (Gaspersz, 1991).

$$r_{xy} = \frac{n\sum XY - (\sum X)(\sum Y)}{\sqrt{[n\sum X^2 - (\sum X)^2][n\sum Y^2 - (\sum Y)^2]}} \quad (1)$$

Description:

r_{xy}	= validity coefficient
X	= question item score
Y	= total variable score
n	= number of respondents
$\sum XY$	= sum of the product of X and Y scores
$\sum X^2$	= sum of squared X scores
$\sum Y^2$	= sum of squared Y scores

3.8 Reliability Test

The reliability test was conducted using the Cronbach's Alpha method with the assistance of SPSS for Windows software to measure the level of consistency of the research instrument. An instrument is declared reliable if it has a Cronbach's Alpha value ≥ 0.60 , making it suitable for use as a research data collection tool. Reliability Test Model (Sugiyono, 2024):

$$\alpha = \frac{k}{k-1} \left(1 - \frac{\sum S_i^2}{S_t^2} \right) \quad (2)$$

Description:

α	= cronbach's Alpha
k	= number of items
S_i^2	= variance of each item
S_t^2	= total variance

Criteria:

$\alpha \geq 0.60$	= reliable
$\alpha < 0.60$	= not reliable

3.9 Normality Test

The normality test is conducted to determine whether the residual data in the regression model are normally distributed. This test aims to ensure that the regression model meets one of the basic assumptions of parametric analysis so that the test results obtained can be interpreted accurately. Normality Test Model (Widarjono, 2013):

$$D = \max |F_o(x) - F_t(x)| \quad (3)$$

Description:

D	= kolmogorov-Smirnov statistic
$F_o(x)$	= cumulative distribution of observed data
$F_t(x)$	= theoretical cumulative distribution (normal)

Criteria:

$\text{Sig} > 0.05$	= normal
$\text{Sig} < 0.05$	= not normal

3.10 Multicollinearity Test

The multicollinearity test is conducted to determine whether or not there is a correlation between independent variables in the regression model. The test is performed using SPSS by examining the Tolerance and Variance Inflation Factor (VIF) values. The regression model is declared free from multicollinearity issues if it has a Tolerance value > 0.10 dan $\text{VIF} < 10$. Multicollinearity Test Model (Widarjono, 2013):

Tolerance

$$\text{Tolerance} = 1 - R_i^2 \quad (4)$$

VIF

$$\text{VIF} = \frac{1}{1 - R_i^2} \quad (5)$$

Description:

R^2_t = coefficient of determination of the regression results of an independent variable on other independent variables

VIF = variance Inflation Factor

Criteria:

Tolerance > 0.10

VIF < 10

3.11 Heteroskedasticity Test

The heteroskedasticity test is conducted to determine whether there is an inequality of residual variance in the regression model. A good regression model does not exhibit heteroskedasticity symptoms, ensuring that the residual variance remains constant and the resulting estimation results are more accurate. Heteroskedasticity Test Model (Glejser) (Widarjono, 2013):

$$|e| = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \quad (6)$$

Description:

$|e|$ = absolute value of residual

α = constant

β = regression coefficient

X_1 = labor Absorption

X_2 = parking Retribution

X_3 = local Genuine Income

ε = error

3.12 Multiple Linear Regression Analysis

Data analysis was conducted using multiple linear regression to test the effect of Labor Absorption (X_1), Parking Retribution (X_2), and Local Genuine Income (X_3) on the MSME Multiplier Effect (Y). The regression equation model used is (Widarjono, 2013):

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \quad (7)$$

Description:

Y = MSME Multiplier Effect

α = constant coefficient

β = regression coefficient

X_1 = labor absorption

X_2 = parking retribution

X_3 = local genuine income

ε = error

3.13 T-Test

The t-test is used to test the partial effect of each independent variable on the dependent variable at a significance level of 5% ($\alpha = 0.05$). A variable is declared to have a significant effect if the significance value (Sig.) < 0.05. t-Test Model (Partial) (Widarjono, 2013):

$$t = \frac{\beta_i}{SE(\beta_i)} \quad (8)$$

Description:

t = t-statistic value

β_i = regression coefficient of the i-th variable

$SE(\beta_i)$ = standard error of the regression coefficient

Criteria:

Sig < 0.05 → has a significant effect

Sig > 0.05 → not significant

3.14 F-Test

The F-test is used to test the simultaneous effect of all independent variables on the dependent variable as well as to assess the goodness of fit of the regression model. The testing is conducted at a significance level of 5% ($\alpha = 0.05$). The regression model is declared significant if the significance value (Sig.) < 0.05 . F-Test Model (Widarjono, 2013):

$$F = \frac{SSR/k - 1}{SSE/(n - k)} \quad (9)$$

Description:

F = calculated F-value

SSR = regression sum of squares

SSE = error sum of squares

k = number of independent variables

n = sampel size

Criteria:

Sig < 0.05 → has a simultaneous effect

Sig > 0.05 → does not have a simultaneous effect

3.15 Coefficient of Determination (R^2) Test

The coefficient of determination (R^2) is used to measure the ability of the independent variables to explain the variation in the dependent variable in the regression model. The larger the R^2 value, the greater the proportion of variation in the dependent variable that can be explained by the model, thus improving the predictive capability of the regression model. Coefficient of Determination (R^2) Mode (Widarjono, 2013):

$$R^2 = 1 - \frac{SSE}{SST} \quad (10)$$

Description:

R^2 = coefficient of determination

SSE = sum of squared residuals

SST = total sum of squares

4 | RESULTS AND DISCUSSION

4.1 Results

4.1.1 Validity Test

The validity test is conducted to determine the extent to which each statement item in the questionnaire accurately measures the variable being studied. The validity test in this study uses the *Corrected Item-Total Correlation* method assisted by IBM SPSS Statistics 27. This method is used to measure the correlation between the score of each statement item and the total score of the variable.

Table 1. Validity Test Results

Variables	Corrected Item-Total Correlation	r Table	Remarks
X1.1	0.439	0.250	Valid
X1.2	0.387	0.250	Valid
X1.3	0.498	0.250	Valid
X1.4	0.349	0.250	Valid
X1.5	0.328	0.250	Valid
X2_1	0.650	0.250	Valid
X2_2	0.422	0.250	Valid
X2_3	0.458	0.250	Valid
X2_4	0.455	0.250	Valid
X2_5	0.503	0.250	Valid
X3_1	0.492	0.250	Valid
X3_2	0.475	0.250	Valid

X3_3	0.682	0.250	Valid
X3_4	0.309	0.250	Valid
X3_5	0.394	0.250	Valid
Y_1	0.370	0.250	Valid
Y_2	0.481	0.250	Valid
Y_3	0.436	0.250	Valid
Y_4	0.325	0.250	Valid
Y_5	0.486	0.250	Valid

Source: Primary Data (2026), processed

Based on the validity test results using the *Corrected Item-Total Correlation* method at a 5% significance level and a total of 62 respondents, the r-table value obtained was 0.250. The test results show that all statement items for the variables Labor Absorption (X_1), Parking Retribution (X_2), Local Genuine Income (X_4), and Multiplier Effect (Y) have a *Corrected Item-Total Correlation* value greater than the r-table value (0.250). Thus, all statement items are declared valid and capable of measuring the variables under study.

4.1.2 Reliability Test

The reliability test is conducted to determine the level of consistency of the research instrument in measuring the variables studied. The reliability test in this study uses the *Cronbach's Alpha* method assisted by IBM SPSS Statistics 27. An instrument is declared reliable if it has a *Cronbach's Alpha* value ≥ 0.60 .

Table 2. Reliability Test Results

Variables	<i>Cronbach's Alpha</i>	Remarks
Labor absorption (X1)	0.642	Reliable
Parking levies (X2)	0.731	Reliable
Regional Original Revenue (X3)	0.708	Reliable
Multiplier Effect (Y)	0.666	Reliable

Source: Primary Data (2026), processed

Based on the reliability test results using the *Cronbach's Alpha* method, it is known that all variables measured through the questionnaire have a *Cronbach's Alpha* value greater than 0.60, so that all research instruments are declared reliable. These results show that each statement item in each variable has a good level of consistency in measuring the construct being studied.

4.1.3 Normality Test

In this study, the normality test was conducted using the *One-Sample Kolmogorov-Smirnov Test* at a 5% significance level 5% ($\alpha = 0,05$). The basis for decision-making in the normality test is that if the Asymp. Sig. (2-tailed) value is greater than 0.05, the residual data is declared to be normally distributed. Conversely, if the Asymp. Sig. (2-tailed) value is less than 0.05, the residual data is declared to not be normally distributed.

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test	
Asymp. Sid (2-tailed) ^c	Unstandarized Residual .200 ^d

Source: Primary Data (2026), processed

Based on the normality test results using the *One-Sample Kolmogorov-Smirnov* method, an Asymp. Sig. (2-tailed) value of 0.200 was obtained. This value is greater than the 0.05 significance level ($0.200 > 0.05$), leading to the conclusion that the residual data is normally distributed. Thus, the regression model meets the assumption of normality and is suitable for use in multiple linear regression analysis.

4.1.4 Multicollinearity Test

In this study, the multicollinearity test was conducted by looking at the Tolerance and Variance Inflation Factor (VIF) values using the SPSS version 27 program. The basis for decision-making is that if the Tolerance value $> 0,10$ and the VIF value < 10 , the regression model is declared to show no signs of multicollinearity.

Table 4. Multicollinearity Test Results

Variables	Tolerance	VIF
Labor absorption (X1)	0.478	2.091
Parking levies (X2)	0.477	2.097
Regional Original Revenue (X3)	0.394	2.540

Source: Primary Data (2026), processed

The multicollinearity test results show that the variables Labor Absorption (X1), Parking Retribution (X2), and Local Genuine Income (X3) each have a Tolerance value greater than 0.10 and a VIF value less than 10. Thus, it can be concluded that there are no signs of multicollinearity among the independent variables in the regression model. Therefore, the regression model meets one of the classical assumptions and is suitable for use in multiple linear regression analysis.

4.1.5 Heteroskedasticity Test

In this study, the heteroscedasticity test was conducted using the Glejser method, namely by regressing the absolute residual value (ABS_RES) against the independent variables, which are Labor Absorption (X1), Parking Retribution (X2), and Local Genuine Income (X3). The basis for decision-making is that if the significance value (Sig.) of each variable is greater than 0.05, the regression model is declared to show no signs of heteroscedasticity.

Table 5. Heteroscedasticity Test Results

Variables	Sig. Value
Labor absorption (X1)	0.085
Parking levies (X2)	0.080
Regional Original Revenue (X3)	0.488

Source: Primary Data (2026), processed

Based on the heteroscedasticity test results using the Glejser method, the significance value for the Labor Absorption variable (X1) was 0.085, Parking Retribution (X2) was 0.080, and Local Genuine Income (X3) was 0.488. All of these significance values are greater than 0.05, leading to the conclusion that there are no signs of heteroscedasticity in the regression model.

4.1.6 Multiple Linear Regression Analysis

Multiple linear regression analysis is used to determine the extent of the influence of the independent variables, namely Labor Absorption (X1), Parking Retribution (X2), and Local Genuine Income (X3), on the dependent variable, namely Multiplier Effect (Y). This analysis is conducted to determine the individual (partial) and joint (simultaneous) effects of each independent variable on the dependent variable.

Table 6. Multiple Linear Regression Analysis Results

Variables	Regression Coefficient (β)	Sig.
Constant	0.540	0.129
Labor absorption (X1)	0.436	<0.01
Parking levies (X2)	0.251	0.024
Regional Original Revenue (X3)	0.211	0.093

Source: Primary Data (2026), processed

Based on the table above, the multiple linear regression equation is obtained as follows:

$$Y = 0.540 + 0.436X_1 + 0.251X_2 + 0.211X_3 + e$$

Based on the regression equation, it can be interpreted as follows:

- 1) Constant (a) of 0.540 indicates that if the variables Labor Absorption (X1), Parking Retribution (X2), and Local Genuine Income (X3) are held constant or remain unchanged, the estimated value of the Multiplier Effect (Y) is 0.540.
- 2) Regression Coefficient for Labor Absorption (X1) of 0.436 indicates that every one-unit increase in Labor Absorption will increase the Multiplier Effect by 0.436, assuming Parking Retribution and Local Genuine Income remain constant.
- 3) Regression Coefficient for Parking Retribution (X2) of 0.251 indicates that every one-unit increase in Parking Retribution will increase the Multiplier Effect by 0.251, assuming Labor Absorption and Local Genuine Income remain constant.
- 4) Regression Coefficient for Local Genuine Income (X3) of 0.211 indicates that every one-unit increase in Local Genuine Income will increase the Multiplier Effect by 0.211, assuming Labor Absorption and Parking Retribution remain constant.

4.1.7 T-Test

Testing is conducted by comparing the significance value (Sig.) with a significance level of 0.05. If the Sig. value Sig. < 0.05, the independent variable has a significant effect on the dependent variable. Conversely, if the Sig. value Sig. > 0.05, the independent variable does not have a significant effect on the dependent variable.

Table 7. t-Test Results

Variables	Calculated t-value	Sig.
Labor absorption (X1)	3.746	<0.01
Parking levies (X2)	2.326	0.024
Regional Original Revenue (X3)	1.708	0.093

Source: Primary Data (2026), processed

The t-test results show that Labor Absorption (X1) and Parking Retribution (X2) have a positive and significant effect on the MSME *multiplier effect* in Losari Beach, with significance values of < 0.001 and 0.024 (< 0.05). Respectively. Conversely, Local Genuine Income (X3) does not have a significant effect on the *multiplier effect* because it has a significance value of 0.093 (> 0.05), although its regression coefficient is positive.

4.1.8 F-Test

The F-test aims to determine whether the variables Labor Absorption (X1), Parking Retribution (X2), and Local Genuine Income (X3) simultaneously (jointly) affect the *Multiplier Effect* (Y). Testing is conducted by comparing the significance value (Sig.) with a significance level of 0.05. If the Sig. value Sig. < 0.05, then all independent variables simultaneously have a significant effect on the dependent variable.

Table 8. f-Test Results

Model	Calculated F-value	Sig.
Regression	37.708	<0.01

Source: Primary Data (2026), processed

Based on the simultaneous test results in the table, a calculated F-value (F count) of 34.708 was obtained with a significance value of <0.001. This significance value is less than the significance level of 0.05 (or it can also be stated that $F_{\text{calculated}} = 34.708 > F_{\text{table}} \approx 2.76$ at $\alpha = 0.05$; $df_1 = 3$ $df_2 = 58$), leading to the conclusion that Labor Absorption (X1), Parking Retribution (X2), and Local Genuine Income (X3) simultaneously have a significant effect on the *Multiplier Effect* (Y).

4.1.9 Coefficient of Determination (R^2) Test

The coefficient of determination test is used to measure the extent to which the independent variables, namely Labor Absorption (X1), Parking Retribution (X2), and Local Genuine Income (X3), can explain the variation in the dependent variable, which is *Multiplier Effect* (Y).

Table 9. Coefficient of Determination (R^2) Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.801	0.642	0.624	0.28857

Source: Primary Data (2026), processed

Based on the table above, an R Square (R^2) value of 0.642 or 64.2% was obtained. This indicates that the variables Labor Absorption (X1), Parking Retribution (X2), and Local Genuine Income (X3) together are able to explain 64.2% of the variation in the Multiplier Effect (Y). Meanwhile, the remaining 35.8% is influenced by other factors outside the research model that were not included in this study. Furthermore, the Adjusted R Square value of 0.624 indicates that after adjusting for the number of independent variables and sample size, the regression model is still able to explain 62.4% of the variation in the dependent variable. This suggests that the regression model used has a good capability in explaining the relationship between the independent variables and the dependent variable.

4.2 Discussion

The The partial statistical test results indicate that the Labor Absorption variable (X1) has a calculated t-value of 3.746 with a p-value of < 0.001 < 0.05. Consequently, Hypothesis 1 (H_1), which posits that labor absorption has a positive and significant effect on the Multiplier Effect of Pisang Epe Mandiri MSMEs, is officially ACCEPTED. The acceptance of hypothesis H_1 aligns directly with the theoretical framework of the *Keynesian Local Income Multiplier* (Keynes, 1936). In the context of local economic mechanisms, the decision of Pisang Epe Mandiri to recruit local workers from Makassar City

serves as a direct income transmission channel. Disbursing daily wages to local operational employees elevates their household disposable income (Pajriah et al., 2025). The high marginal propensity to consume (MPC) among local workers encourages secondary consumption spending in nearby traditional markets and neighborhood food stalls around Losari Beach, thereby generating a repeated induced multiplier effect. Furthermore, this finding reinforces the *Resource-Based View* (RBV) approach, which emphasizes that strategic human capital serves as a critical internal capability for sustaining business competitiveness (Khaerunnisa, 2019). The specialized skills of local workers in preparing traditional culinary products maintain daily sales volume stability. Empirically, this result is consistent with findings by (Solehawati, 2022), who demonstrated that tourist destination development stimulates local socio-economic growth through job creation. It also corroborates the study by (Pajriah et al., 2025) where tourism sector workforce absorption directly expands community consumption and local business activities. The partial statistical test for the Parking Retribution variable (X2) produced a calculated t-value of 2.326 with a p-value of $0.024 < 0.05$. Therefore, Hypothesis 2 (H₂), which states that parking retribution has a positive and significant effect on the Multiplier Effect of Pisang Epe Mandiri MSMEs, is officially ACCEPTED. The acceptance of hypothesis H₂ provides a theoretical foundation showing that visitor vehicle mobility around culinary vendor stalls creates cascading economic spillovers into supporting service sectors. In tourism economics, parking space availability and reliability function as essential tourism amenities (Melinda & Aprirachman, 2026). Tourist culinary expenditure allocated toward parking fees transmits indirect economic effects (*indirect effect*) by increasing the daily earnings of informal parking attendants operating along Jalan Penghibur, Losari Beach. Beyond expanding ground-level cash circulation, heightened vehicle mobility strengthens the *Government Revenue Multiplier* instrument through local retribution collection (Huwaida, 2023). This finding supports research by (Melinda & Aprirachman, 2026) during Car Free Day events, which proved that public crowd dynamics consistently accelerate economic multiplier effects within transportation and parking service sectors. It also aligns with (Huwaida, 2023), who highlighted the importance of public service retribution revenues in measuring tourist destination economic impacts. The partial t-test for the Local Genuine Income variable (X3) yielded a calculated t-value of 1.708 with a p-value of $0.093 > 0.05$. Although the regression coefficient is positive (0.211), Hypothesis 3 (H₃) which posits that PAD significantly influences the Multiplier Effect, is statistically REJECTED. The rejection of hypothesis H₃ offers insightful empirical evidence regarding economic rationale and regional fiscal transmission boundaries. Macroeconomically, Makassar City's regional PAD is aggregated from large-scale revenue sources such as hotel taxes, high-turnover formal restaurant taxes, state-owned enterprise dividends, and land transfer taxes (Rahmawati, 2022). Meanwhile, under Government Regulation No. 55 of 2022 in conjunction with Law No. 7 of 2021 (Tax Harmonization Law), individual micro-enterprises earning annual revenues below the non-taxable threshold of Rp500 million are legally exempt from final income tax levies. Because the annual turnover of Pisang Epe Mandiri falls below this threshold, this micro-enterprise does not remit direct tax payments to the municipal treasury (Pratiwi & Tutik, 2025). Consequently, the multiplier effect generated by micro-enterprises flows predominantly through real ground-level cash circulation (*informal cash flow*) rather than formal tax channels. Furthermore, a significant fiscal time-lag exists, as collected regional revenues must undergo local budget (APBD) allocation cycles before translating into public infrastructure benefits (Jannah et al., 2025). This finding aligns with Jannah et al. (2025) regarding formal fiscal channel constraints on micro-enterprises, while contrasting with (Pratiwi & Tutik, 2025), who analyzed formal commercial trading districts. The simultaneous F-test produced a calculated F-value of 34.708 with a significance p-value of $< 0.001 < 0.05$. Thus, Hypothesis 4 (H₄), which states that Labor Absorption, Parking Retribution, and PAD simultaneously exert a significant effect on the Multiplier Effect, is officially ACCEPTED. The Coefficient of Determination (R²) of 0.642 indicates that 64.2% of the variance in the local economic Multiplier Effect is jointly explained by these three predictors, while the remaining 35.8% is influenced by unmodeled external factors such as business capital and product innovation (Lubis & Salsabila, 2024). This simultaneous confirmation demonstrates that the Losari Beach tourism sector acts as an upstream driver transmitting multiplier impacts across three primary channels concurrently. Culinary vendor operations simultaneously absorb local workforce (X1), activate parking service amenities (X2), and support municipal retribution streams (X3). The synergistic interaction among these variables forms a dynamic circular flow of economic activities that strengthens the regional economy of Makassar City (Hamdani et al., 2025). Policy Implications for Tourism-Based MSME Development:

- 1) Local Labor Capability Enhancement: The Makassar City Government should organize culinary skills and tourism service training programs for MSME workers to sustain strategic human capital quality.
- 2) Parking Spatial Organization and Amenities Digitalization: Losari Beach management is advised to implement digital parking retribution systems (*e-parking*) to eliminate retribution leakage while improving tourist convenience.
- 3) Gradual Formalization and Business Incentives: Local authorities should maintain tax exemption facilities for micro street vendors while facilitating streamlined business registration (NIB) so that informal cash turnover can be sustainably integrated into local government monitoring systems.

5 | CONCLUSIONS AND FUTURE WORK

The research results show that Labor Absorption (X_1) and Parking Retribution (X_2) have a positive and significant effect on the Multiplier Effect of MSME Pisang Epe Mandiri in Losari Beach, Makassar City. Meanwhile, Local Genuine Income (X_4) has a positive but non-significant effect. The Tax Revenue variable (X_3) was not analyzed in the regression model because, based on observations and interviews, MSME Pisang Epe Mandiri is not yet directly subject to local taxes. Simultaneously, Labor Absorption, Parking Retribution, and Local Genuine Income have a significant effect on the Multiplier Effect, with a coefficient of determination (R^2) value of 0.642. This result indicates that the three variables are able to explain 64.2% of the variation in the Multiplier Effect, while the remaining 35.8% is influenced by other factors outside the research model. This finding confirms that MSME Pisang Epe Mandiri plays an important role in driving economic circulation and supporting local economic development in the Losari Beach area of Makassar City. Based on the research findings, the Makassar City Government is expected to continue supporting the development of MSME in the Losari Beach area through policies that can enhance local economic activity. Local governments are advised to formulate regular training programs covering food hygiene standards, tourism service management, and financial literacy for MSME workers in order to maintain human capital competitiveness. MSME actors are also expected to continuously improve product quality, service, and labor absorption to optimize the resulting *multiplier effect*. Additionally, area managers need to improve the quality of parking facility management to support tourist comfort and regional economic growth. For future researchers, it is recommended to add other variables, such as business capital, number of tourist visits, product innovation, digital marketing, service quality, or government policy support, to obtain more comprehensive research results.

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