

## The Impact of The Presence of the University of Timor on the Economy of Local Communities in North Central Timor District

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### Abstract

In the last decade, the North Central Timor Regency in East Nusa Tenggara Province has become a new center of economic growth. This is due to the presence of a higher education institution known as the University of Timor. The presence of this university has a positive impact on small and medium businesses due to the significant flow of educational migration. Therefore, this research aims to identify the partial or simultaneous influence of three main variables, namely social and cultural patterns, educational accessibility, and community thought patterns and attitudes, on the welfare of people involved in micro, small, and medium enterprises (MSMEs). The analytical method used is multiple linear regression, involving a sample of 100 respondents from a total of 693 MSME actors. Sampling was carried out randomly using the Simple Random Sampling technique based on the Slovin formula. The research results show that these three variables have a significant positive effect on the welfare of MSMEs in the North Central Timor Regency.

**Keywords:** Community Thought and Attitude Patterns, Educational Accessibility, Social and Cultural Patterns, Welfare of MSME Actors.

### INTRODUCTION

Indonesia, as a developing country, is undertaking a development journey accompanied by a determination to achieve independence through increasing human resources through education, to achieve just and equitable prosperity for all its people. The development process requires economic growth followed by change (growth plus change), including changes in the economic structure from the agricultural sector to the industrial or service sector, as well as institutional changes both through regulations and providing information about the institutions themselves. These changes occur due to the influence of various factors, such as changes in traffic flow, which can produce social, economic, technological, and cultural changes, and so on. Humans, both as individuals and as groups, live in close connection with their surrounding environment. The dynamic relationship and mutual influence between humans and their environment cause humans to adapt, care for, and manage that environment (Dinna Ririn Agustina, 2019).

Complex interactions between humans and the environment produce various activities or pursuits. These activities can cause several types of changes, such as changes in development (developmental change), changes in location or place (locational change), and changes in behavior or behavior (behavioral change). With a deep understanding of the dynamics of the relationship between humans and their environment and the impact of various resulting activities, it is hoped that development in Indonesia can sustainably take place and have a positive impact on the welfare of all its people (Harris & Amalia, 2018).

Universities in Indonesia in the Millennial Era are currently experiencing significant growth and development, both in terms of quantity and quality. In terms of quantity, we can see an increase in the number of new universities emerging, both state and private universities, which are spread evenly to regions throughout Indonesia. The construction of new campuses is one indicator of this development, marking efforts to develop and expand study venues for both state and private universities (Harris & Ernwati, 2013).

Apart from that, in terms of quality, higher education has also experienced improvements over time. The quality of implementing the Tridharma of Higher Education is increasing, reflected in the increasing number of study programs and institutions that have received increased accreditation scores. This increase is in line with advances in technology and information which increasingly enrich the learning and teaching experience in the higher education environment. With this growth and improvement in quality, it is hoped that universities in Indonesia can continue to play an active role in producing quality human resources, are globally competitive, and able to contribute positively to nation-building and the progress of human civilization in this millennial era (Yuliawati, 2012).

Higher education development is now directed towards the frontier, outermost, and underdeveloped areas, known as 3T areas. The existence of universities in 3T areas or border areas brings significant changes to the environment where these universities exist. This change is not only related to one or two aspects of life but involves many aspects of life that will be affected by the presence of the university. One of the aspects that has the most impact on the lives of local communities is changes in the level of socio-economic status of residents in the area. The presence of universities in the 3T area will be followed by the construction of other supporting facilities and infrastructure, such as adequate road access, health facilities, traditional markets, internet networks, public transportation, food stalls, and the construction of many boarding houses for students from outside the area. The presence of many students or immigrants from outside this area will directly influence the patterns and outlook on life of the native population in the area (Situmorang & Ayustia, 2019).

Increasing income for residents in the 3T area is expected to have a significant impact, especially in the form of changes in socio-economic attitudes to life and their thoughts regarding children's education. Although children's education can be influenced by various factors, including environmental factors, an increase in income is expected to increase parents' awareness of their children's education compared to before the increase in income. (Valentini et al., 2018). Thus, the existence of universities in 3T areas has the potential to change the socio-economic and educational landscape in the area, as well as provide a positive impact in improving the quality of life of the local community (Rungkat et al., 2020).

North Central Timor Regency (TTU), a region in East Nusa Tenggara (NTT) Province, Indonesia, has become the center of attention in recent years due to its rapid economic and educational development. One of the factors that contributed to this change was the presence of the University of Timor, a higher education institution founded in the region in 2000. With the establishment of this university, much speculation emerged regarding its impact on the local economy, especially on the income of surrounding business actors (Oki et al., 2021).

The University of Timor (UNIMOR) was founded on June 6 2000 in Kefamenanu, TTU Regency, NTT Province, with registered status from the Ministry of National Education Number 67/D/0/2000. This university is under the auspices of the Cendana Wangi Educational Foundation. Through the Presidential Regulation of the Republic of Indonesia Number 119 of 2004, dated 6 October 2014, the University of Timor experienced a change in status from a Private University to a State University. UNIMOR's presence on Earth BIINMAFO will significantly impact social, economic, and educational changes for the residents of Kefamenanu City, in particular, as well as North Central Timor Regency in

general. This phenomenon is also manifested in Sasi Village, which is administratively located in the Kefamenanu City District, in the eastern part of Kefamenanu City. Sasi Village has clear territorial boundaries, with the north bordering South Bikomi District, the south side with Maubeli Village, the west bordering Noemuti District, and the east bordering Badanue District.

Before the establishment of UNIMOR, Kefamenanu City, especially Sasi Village, was a quiet and remote suburban area. However, along with the founding of the university, the surrounding environmental conditions experienced significant changes. The increasing number of UNIMOR students every year has encouraged the emergence of various businesses, such as boarding houses, around campus. This reflects new dynamics in the local economy as well as changes in urban development patterns in Sasi Village and its surroundings.

In the context of changes in the economic dynamics of local communities caused by the presence of the University of Timor, there are potential opportunities as well as challenges that need to be considered wisely and carefully. One crucial aspect that requires attention is the pattern of social and cultural change in the region. This research highlights the increase in population mobility and migration to North Central Timor Regency (TTU) which occurred along with the presence of universities. This phenomenon not only creates new economic growth in the region but also has the potential to trigger shifts in the social and cultural aspects of local communities.

Changes in local economic dynamics can provide new opportunities for regional growth and development, such as increasing employment opportunities, business diversification, and increasing community income. However, these changes also carry risks in terms of potential social conflict, economic inequality, and changes in value patterns and cultural identity (Riva et al., 2018). Therefore, local governments, educational institutions, and local communities need to take wise actions in dealing with this dynamic.

In the context of TTU Regency, increasing the accessibility of higher education is an important step in efforts to develop the local economy. As part of research in the region, focusing on this aspect strengthens understanding of the impact of the University of Timor on the local community. Ensuring equal and inclusive access to education for all levels of society, including those living in TTU Regency, can provide an important boost to local economic growth (Kivelä & Ylikoski, 2017). Collaboration between local governments, universities, and various other stakeholders is crucial in ensuring that quality education services can be provided in the region. This involves providing competent teaching human resources, adequate educational infrastructure, as well as education cost policies that are affordable for everyone (Peng et al., 2014). Thus, this research clarifies the importance of prioritizing higher education accessibility in the context of local economic development in the TTU District and underscores the need for cross-sector collaboration to achieve this goal effectively and sustainably.

Another equally important variable is people's thought patterns and attitudes towards education. This is a crucial aspect that must be considered in the context of the presence of the University of Timor. Increasing the accessibility of higher education through the existence of universities has significant implications for people's mindsets and attitudes towards education (Yadav et al., 2014). Society will likely experience a change in the way they view higher education, with increasing awareness of its benefits in improving quality of life and career opportunities. Apart from that, the existence of universities can also influence people's attitudes towards the value of education and the importance of investing in education for future generations (Torney-Purta, 2002). By paying attention to these patterns of community thinking and attitudes, research in the TTU Regency area can provide deeper insight into how the presence of the University of Timor influences community views and attitudes toward education, and how this impacts social, economic, and cultural development.

In facing these changes, it is important for all stakeholders, including local governments, universities, and the general public, to pay attention to and accommodate these changes in thinking and attitudes. This can be done through more active education and outreach efforts regarding the benefits of higher education, as well as providing support and incentives for individuals and families who wish to pursue higher education (Johnson et al., 2019). Apart from that, efforts are also needed to strengthen partnerships between universities and society in integrating educational values into everyday life, so that education is not only seen as an obligation but also as a valuable investment for the future of individuals and communities (Venegas-Muggli, 2019). By systematically paying attention to aspects of people's thought patterns and attitudes towards education, it is hoped that all parties involved can create an environment that supports and promotes the values of higher education. Thus, education is not only a means of increasing knowledge and skills but also a tool for creating positive and sustainable social change in society.

In the context of North Central Timor Regency, aspects of social and cultural patterns, educational accessibility, as well as community thought patterns, and attitudes towards the welfare of the business community around the University of Timor location are the main focus of this research. The aim is to provide a more comprehensive understanding of the impact of the university's existence on the dynamics of the region. By delving deeper, it is hoped that this research can provide better insight into how the presence of the University of Timor influences various aspects of life in the region, including in the social, economic, and cultural realms. The benefits are not only limited to increasing academic knowledge but also to providing clearer guidance for policymakers, local governments, universities, business actors, and the general public in designing more effective and sustainable development programs. Thus, it is hoped that this research can make a significant contribution to efforts to create an inclusive, highly competitive, and sustainable environment for all parties involved around the University of Timor. Apart from that, it is also hoped that it can have a positive impact on improving the welfare of the business community, creating synergy between the development of higher education and local economic growth.

## **METHOD**

This research is a type of experimental research that uses a quantitative approach or inferential analysis to identify the partial and simultaneous influence of independent variables, such as social and cultural patterns, educational accessibility, and community thought patterns and attitudes, on the variable level of welfare of the business community around the location. Timor University in TTU Regency as the dependent variable. This approach was designed to provide a comprehensive understanding of the factors that influence community welfare so that it has significant relevance to local government policies in inclusive regional development.

This research was carried out over approximately six months, starting from July to December 2021. The focus of the research was aimed at micro, small, and medium businesses around the University of Timor location, which are significantly dependent on on-campus activities. The population of this study refers to published data provided by the TTU Regency Central Statistics Agency (2021), which includes 693 micro, small, and medium business actors in the TTU Regency. Taking into account the homogeneity of population characteristics, the sampling method used is Simple Random Sampling, with calculations based on the Slovin formula (Nalle & Pangastuti, 2023). The number of samples taken was 100 people. To reduce the potential for data bias, the sampling criteria involve business actors aged 25-55 years, married, have consistent experience in running a business for at least the last 10 years, and have an official business permit issued by the TTU Regency Government.

This research utilizes two types of data, namely primary data and secondary data. Primary data was obtained directly from respondents or research samples, who are MSME actors in TTU Regency. Meanwhile, secondary data is information obtained from government institutions, especially published data documents that are relevant to research objectives. The primary data collection process involves the active participation of MSME actors who have a view of the dynamics of the development of the University of Timor and its relationship to economic activities and family income. They provide direct information regarding business practices, challenges faced, as well as various aspects related to opportunities and challenges related to their business activities. On the other hand, secondary data was obtained from government institutions, especially the TTU Regency Central Statistics Agency (2021). This data includes information about the number of MSMEs, the contribution of the service and trade sectors to the formation of gross regional domestic product (GRDP), and the per capita income of the people of TTU Regency. It is hoped that the use of these two types of data can provide a comprehensive framework for understanding business sustainability and sustainable economic development in the region.

The main instruments for data collection in this research involve the use of questionnaires, interviews, documentation, and direct observation. Each indicator related to research variables, such as social and cultural patterns, educational accessibility, community thought patterns and attitudes, and income of MSME actors, is designed in the form of a positive statement to make it easier for respondents to provide answers. The preparation of each indicator as a statement item is based on theoretical studies and previous research that are relevant to the research objectives. The questionnaire presented to respondents contained guided alternative answers, using a Likert scale with four category levels, namely strongly agree, agree, disagree, and disagree. This approach was chosen to describe the respondent's level of agreement or disagreement with each statement, thereby creating a more structured assessment framework for evaluating the research variables studied.

After all respondents have filled out the questionnaire, the next step is data collection and tabulation. This tabulation process aims to provide basic material for data analysis. The analytical tool used is descriptive statistical analysis, which aims to provide an overview of the characteristics of respondents and describe factual conditions based on information obtained from in-depth research regarding the variables in the research. In addition, inferential analysis was carried out using multiple linear regression analysis methods. The purpose of this analysis is to evaluate the partial and simultaneous influence of social and cultural pattern variables, educational accessibility, and community thought patterns and attitudes, on the income of MSME actors in TTU Regency. This multiple linear regression analysis formulation refers to the approach proposed by (M. Pangastuti, 2022).

$$Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$$

Where:

- Y = Income of MSME Actors
- a = Constant
- $\beta_1X_1$  = Regression Coefficient Social and cultural pattern variables
- $\beta_2X_2$  = Regression Coefficient of Educational Accessibility Variable
- $\beta_3X_3$  = Regression Coefficient Variable patterns of people's thoughts and attitudes
- $\epsilon$  = Epsilon

The data analysis process was carried out using Eviews 12 software. Before starting the analysis, an important first step was to evaluate the quality of the data collection instruments through validity and reliability. This stage is considered crucial to ensure that the data analyzed can produce accurate research output. Furthermore, tests were also carried out on classical assumptions, which included normality tests, autocorrelation tests, multicollinearity tests, and heteroscedasticity tests. All these tests aim to meet the required statistical standards and ensure the integrity of the data analysis performed (Nalle & Pangastuti, 2022).

## RESULTS AND DISCUSSION

### Respondent Characteristics

Within the scope of this research, the participants who are research subjects are representatives of the population of Micro, Small, and Medium Enterprises (MSMEs) in North Central Timor Regency (TTU). In the research process, they had various characteristics including age, education level, experience in business, and gender. Detailed information regarding the characteristics of respondents can be identified and found in Table 1 which is available below.

**Table 1.** Respondent Characteristics

Characteristics	Amount	Percentage (%)
Gender:		
▪ Man	42	42
▪ Woman	58	58
Respondent Age:		
▪ 25-35 Years	17	17
▪ 36-45 Years	47	47
▪ 46-55 Years	36	36
Level of education		
▪ elementary school	11	11
▪ JUNIOR HIGH SCHOOL	21	21
▪ SENIOR HIGH SCHOOL	42	42
▪ Diploma	9	9
▪ Bachelor	15	15
Length of Business:		
▪ 1-5 Years	16	16
▪ 6-10 Years	24	24
▪ ≥ 11 Years	60	60

Source: Processed Primary Data 2023

In Table 1, it can be seen that Micro, Small, and Medium Enterprises (MSMEs) active in the trade sector in TTU Regency are dominated by women, reaching 58 percent of the total 100 respondents. Demographically, the majority of business actors fall into the productive age range of 36-45 years, accounting for around 47 percent of all respondents. In terms of education, MSME entrepreneurs are dominated by individuals who have a high school (SMA) educational background, reaching 42 percent of the total sample. Apart from that, from the analysis of the length of business activity, the majority of MSME players have been involved in the world of trade for more than 10 years, with a proportion of around 60 percent of the total respondents. This information provides a clear picture of the profile of MSME actors in the TTU Regency.



### Multiple Linear Regression Analysis

Because this research originates from primary data obtained through questionnaires filled out by Micro, Small, and Medium Enterprises (MSMEs) in TTU Regency, undergoing instrument testing is very important. Testing this instrument consists of testing the validity and reliability of the data, which is a prerequisite in multivariate statistical analysis. The validity of the data is evaluated through the Pearson correlation test, with the calculated *r*-value must exceed the *r*-table value at the significance level  $\alpha = 0.05$ . Meanwhile, data reliability is assessed based on the Cronbach alpha coefficient value criteria, where the accepted value must be greater than 0.60, according to the guidelines proposed by Sugiyono (M. D. Pangastuti, 2023).

**Table 2.** Recapitulation of Data Validity and Reliability Test Results

Variables	Items	R count	Table	Crombach Alpha	Information
Social and cultural patterns (X1)	X1.1	0.607	0.195	0.708	Valid and Reliable
	X1.2	0.783	0.195		Valid
	X1.3	0.651	0.195		Valid
Education Accessibility (X2)	X2.1	0.783	0.195	0.712	Valid and Reliable
	X2.2	0.627	0.195		Valid
	X2.3	0.721	0.195		Valid
People's Thought Patterns and Attitudes (X3)	X3.1	0.853	0.195	0.882	Valid and Reliable
	X3.2	0.748	0.195		Valid
	X3.3	0.872	0.195		Valid
Income/Welfare of MSME Actors (Y)	Y1	0.758	0.195	0.764	Valid and Reliable
	Y2	0.829	0.195		Valid
	Y3	0.750	0.195		Valid

Source: 2023 Primary Data Processed Results

Based on the results of the data analysis contained in Table 2, it can be stated that all indicators contained in each variable construct have met the criteria for data validity and reliability. This can be seen from the Pearson correlation value which has been tested and produces an *r*-calculated value that exceeds the *r*-table value, as well as a Cronbach's alpha value that exceeds 0.60 at the significance level  $\alpha = 0.05$ . This situation confirms that the instruments used in this research can be considered valid and reliable for measuring the variables studied. Thus, research can proceed to the next stage of analysis with the confidence that the data obtained can provide accurate and accountable results.

### Classic Assumption Test

In multiple linear regression analysis, it is important to test classical assumptions so that the parameter values produced in the regression model are not biased and have a high level of accuracy in making estimates. Ghozali (in Nalle, Pangastuti, et al., 2022) states that several classical assumption tests need to be carried out. First, the normality test aims to determine whether the data is normally distributed. Second, the autocorrelation test aims to identify the existence of a correlation between confounding errors in the previous time and space period by testing the chi-square probability value. Next, a multicollinearity test was carried out to avoid a perfect correlation between the independent variables. Finally, the heteroscedasticity test aims to find out whether, in the regression model, there are differences in variance and residuals from one observation to another. Priyatno (in Dima & Nalle, 2023) has suggested this as an important part of ensuring the integrity of multiple linear regression analysis.

**Table 3.** Recapitulation of Classical Assumption Test Results

Variables	Classic assumption test			
	Jarque-Bera test (P-value)	Prob. Chi-Square(2) (P-value)	Prob. Chi-Square(14) (P-value)	VIF value
Residual	1.641289	0.1504	0.0735	
Social and Cultural Patterns				1.471425
Education Accessibility				1.352462
Patterns of Community Thought and Attitudes				1.436513

Source: 2023 Primary Data Processed Results

Based on the results listed in Table 3, it can be concluded that all tested classical assumptions have been met, providing a solid basis for continuing data analysis. The results of the normality test show that the data has a normal distribution, which is indicated by a Jarque-Bera value that is greater than alpha ( $1.641289 > 0.05$ ). Testing the autocorrelation and heteroscedasticity assumptions shows that the value of Prob. The resulting Chi-Square is greater than alpha ( $0.1504$  and  $0.0735 > 0.05$ ), indicating that there is no equal variance in all research variables. This indicates that the variations in these variables are constant. The multicollinearity test also gave satisfactory results, with the resulting Variance Inflation Factor (VIF) value being smaller than 10. This shows that there is no strong correlation between the independent variables in this study. Thus, the conclusions from the results of this classical assumption test support the continuation of further data analysis, and the results can be relied on for accurate interpretation.

### Multiple Linear Regression Analysis

Through this analysis, the main research objective of evaluating the influence of social and cultural pattern variables, educational accessibility, and community thought patterns and attitudes on the income and welfare of MSME actors in TTU Regency can be fulfilled. By referring to data from analysis and theoretical understanding relevant to research variables, this research is an important reference source for policymakers in designing effective strategies to improve educational services at the University of Timor. In this way, the role of universities can be optimized so that they provide maximum contribution to the progress of the TTU Regency region.

**Table 4.** Recapitulation of Multiple Linear Regression Analysis Results

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	-0.862106	0.702081	-0.66098	0.2361
Socio_Cultural_Pattern	0.157426	0.147543	1.187341	0.0423
Education_Accessibility	0.148274	0.052974	1.671404	0.0375
Community_Attitude_Thoughts	0.241568	0.173642	2.415161	0.0174
R-squared	0.746912			
Adjusted R-squared	0.737264			
F-statistic	49.16346			
Prob (F-statistic)	0.000000			

Source: 2023 Primary Data Processed Results

The results of data analysis as shown in Table 5 produce the following regression equation:

$$Y_{\text{Welfare}} = -0.862106 + 0.157426_{\text{Social\_Social\_Pattern}} + 0.148274_{\text{Educational\_Akb}} + 0.241568_{\text{Society\_Attitude\_Thoughts}} + \epsilon$$

(0.0423)
(0.0375)
(0.0174)



In the regression analysis above, a constant value was obtained of -0.862106. This value indicates that without simultaneous changes in the variables of socio-cultural patterns, educational accessibility, and community thought patterns and attitudes, the level of welfare of MSME actors in the TTU Regency will decrease by 0.862106. Furthermore, each independent variable shows a partial influence on food security, which is reflected in the variation in the different regression coefficient values for each variable.

### **Partial Testing (t-Test)**

From the results of data analysis for the Social and Cultural Pattern variable, a regression coefficient value of 0.157426 was obtained, with a probability value of 0.0423 which is smaller than alpha (0.05). These findings indicate that there is a significant relationship between social and cultural patterns and the welfare of MSME actors in the TTU Regency. By increasing the role of social and cultural patterns by 0.157426 percent, the welfare of MSMEs can grow by 1 percent, while still paying attention to the *ceteris paribus* principle.

In the analysis of the second independent variable, namely educational accessibility, it was found that the regression coefficient value was 0.148274, with a significance level of 0.0375, which is lower than alpha (0.05). These findings illustrate that educational accessibility has a significant positive influence on the income and welfare of MSME actors in the TTU Regency. The regression coefficient value shows that every one percent increase in the welfare growth of MSMEs can be attributed to an increase in educational accessibility of 0.439127 percent.

From the results of the analysis of the variables Patterns of Thought and Community Attitudes, a regression coefficient value of 0.241568 was obtained, with a probability value of 0.0188 which is smaller than alpha (0.05). These findings indicate that partially, community thought patterns and attitudes have a significant positive influence on the welfare of MSME actors in TTU Regency. The coefficient value of 0.241568 indicates that every one percent increase in the welfare growth of MSMEs will contribute to an increase in people's thought patterns and attitudes by 0.241568 percent, assuming other variables remain constant.

### **Simultaneous Testing (F-Test)**

From the results of simultaneous testing, it can be seen in Table 4 that the calculated F value is 49.16346 which is greater than the F table (2.27). In addition, the probability value obtained (0.0000) is also smaller than alpha (0.05), indicating that together, the independent variables in this research, namely sociocultural patterns, educational accessibility, and patterns of thinking and attitudes of society, affect the dependent variable, namely the welfare of MSME actors in TTU Regency.

### **Determinant Coefficient (R<sup>2</sup>)**

The analysis results show that the Adjusted R-squared value is 0.746912, indicating that the ability of the statistical model built in this research can explain the variability in the role of socio-cultural patterns, educational accessibility, and community thoughts and attitudes in influencing the welfare of MSME actors in TTU Regency by 74.69 percent. Meanwhile, the remaining 25.31 percent was influenced by other variables not included in this research.

## **Discussion**

### **The Influence of the Role of Socio-Cultural Patterns on the Welfare of MSME Actors**

In the context of research in TTU Regency, the role of socio-cultural patterns has a significant influence on the welfare of MSME actors. Data analysis shows that this variable has a significant positive correlation with the level of welfare of MSME actors in the region. This is supported by the

regression coefficient value which is statistically significant and the probability value which is smaller than the specified significance level ( $0.0423 < 0.05$ ). Sociocultural patterns cover various aspects, including values, norms, and traditions that develop in society. In the TTU Regency, strong and positive socio-cultural patterns can be a determining factor in the success of MSMEs. A local culture that supports entrepreneurship, community cooperation, and environmental sustainability can create a conducive environment for business growth.

One of the positive impacts of strong socio-cultural patterns is the existence of extensive social networks and support for MSME actors. In a society with positive socio-cultural patterns, MSMEs can gain easier access to resources, information, and business opportunities through community networks and collaboration between entrepreneurs (Robert, 2014). Apart from that, positive socio-cultural patterns can also help create stable and sustainable market demand for products or services produced by MSME players (O. Johnson et al., 2013). Communities that have a sense of pride in local products and support initiatives to purchase goods and services from MSMEs can be an important factor in ensuring the success and continuity of their businesses.

However, on the other hand, negative or unsupportive socio-cultural patterns can become obstacles for MSME players. For example, a stigma against entrepreneurship or distrust of local products can hinder business growth and development. Therefore, stakeholders in TTU Regency need to strengthen and promote socio-cultural patterns that support entrepreneurship and local business development. Overall, the role of socio-cultural patterns in the welfare of MSME actors in the TTU Regency cannot be ignored. Efforts to understand, strengthen, and promote positive socio-cultural patterns can be an effective strategy in improving the prosperity and sustainability of local businesses, as well as supporting inclusive and sustainable economic development in the region.

### **The Influence of Educational Accessibility on the Welfare of MSME Actors**

In the context of research in TTU Regency, the influence of educational accessibility on the welfare of MSMEs becomes very relevant. The results of the data analysis show that the educational accessibility variable has a significant positive influence on the welfare of MSMEs in the region. This is reflected in the statistically significant regression coefficient value, with a probability value that is smaller than the specified significance level ( $0.0375 < 0.05$ ). Thus, it can be concluded that good accessibility to higher education in TTU Regency contributes positively to improving the welfare of MSMEs. Increasing educational accessibility can open up opportunities for MSME players to increase their knowledge and skills in running their businesses. With easier access to educational institutions, both formal and non-formal, MSMEs can gain additional knowledge, new techniques, and access to information relevant to their business. This can improve their ability to manage their business, improve the quality of products or services, and expand their network and market access.

Apart from that, adequate educational accessibility can also help in increasing the competitiveness of MSMEs. By having easier access to educational resources, they can more easily keep up with technological developments, market trends, and changes in business regulations (Prasetyo et al., 2020). This allows them to be more responsive to changes in the business environment and increase innovation in their businesses. Apart from direct benefits for MSMEs, increasing educational accessibility can also have a positive impact on the local economy as a whole. By increasing the level of education in society, it is hoped that labor productivity and the quality of human resources will increase, which in turn can support local economic growth and create new job opportunities (Arinzeh, 2022).

In the context of TTU Regency, where educational accessibility may still be a challenge for some communities, efforts to increase educational accessibility need to continue to be encouraged. This includes providing easier access to educational institutions, developing training and education

programs that are relevant to local business needs, as well as supporting access to educational funding for those who need it. Thus, increasing educational accessibility can be a key strategy in improving the welfare of MSMEs and encouraging inclusive economic development in the TTU Regency.

### **The Influence of Community Thought Patterns and Attitudes on the Welfare of MSME Actors**

In the context of research in TTU Regency, the influence of community thought patterns and attitudes on the welfare of MSME actors is a very relevant thing to consider. Data analysis shows that this variable has a significant positive influence on the welfare of MSME actors in the region. This is reflected in the statistically significant regression coefficient value, with a probability value that is smaller than the specified significance level ( $0.0188 < 0.05$ ).

People's thought patterns and attitudes can have a big influence on the success of MSMEs in running their businesses. If the community has a positive attitude towards local entrepreneurs and supports the products or services they produce, then the chances of business success will increase. Support from local communities can expand market share, increase sales, and create sustainability for MSME businesses. Apart from that, inclusive and progressive thought patterns in society can also open up opportunities for collaboration and partnerships between MSME actors and other parties, such as government institutions, educational institutions, and non-governmental organizations. This kind of collaboration can help MSMEs access resources, training, and funding that can support the growth and development of their businesses (Laukkanen & Niittykangas, 2003).

However, on the contrary, people's negative or skeptical thought patterns and attitudes towards local entrepreneurs can become obstacles for MSMEs. This can hinder business growth, reduce customer trust, and even lead to rejection of the products or services produced (Affandi et al., 2020).

Thus, efforts to strengthen positive thought patterns and attitudes of society towards MSME actors are very important to improve their welfare. This can be done through educational and promotional programs aimed at increasing public awareness about the importance of supporting local entrepreneurs, as well as through efforts to build closer relationships between MSME actors and local communities (Ratnawati et al., 2022). Increasing positive thinking patterns and attitudes of the community towards MSMEs can be a key factor in creating a conducive environment for the growth and sustainability of local businesses. Therefore, steps to change or strengthen community thought patterns and attitudes need to be an integral part of the local economic development strategy in TTU Regency.

### **CONCLUSIONS**

From this research, it can be concluded that social and cultural patterns, accessibility to education, and the mindset and attitudes of the community have a significant impact on the welfare of MSMEs actors in TTU District. These findings underscore the importance of strengthening these aspects as effective strategies to support the growth and development of local businesses and enhance the overall welfare of the community. Thus, this study makes a significant contribution to a deeper understanding of the factors influencing the welfare of MSMEs actors and provides a foundation for the development of more effective policies to support local economic growth and community welfare.

Several recommendations can be provided to support the development of Micro, Small, and Medium Enterprises (MSMEs) in North Central Timor Regency (TTU). Firstly, it is necessary to strengthen local cultural factors through programs that support the preservation and development of local culture. Secondly, it is important to continue to improve access to higher education in this area to provide greater opportunities for MSME actors to develop themselves and their businesses. Thirdly,

community empowerment and the formation of positive attitudes towards entrepreneurship are needed so that the community can be more active and productive in their businesses. Fourthly, collaboration between the government, universities, business actors, and the community is crucial in creating a conducive environment for MSME development. Fifthly, it is important to increase financial literacy and business management skills for MSME actors to enhance the effectiveness and sustainability of their businesses. Lastly, periodic evaluations are needed to ensure that the programs implemented are effective and provide tangible benefits for the development of MSMEs in TTU Regency.

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