Volume 6, Issue 2, 2024, 16 - 28
http://jurnal.uns.ac.id/jdk/article/view/88275
DOI: https://doi.org/10.20961/desa-kota.v6i2.88275

Desa-Kota
JURNAL PERENCANAAN WILAYAH, KOTA, DAN PERMUKIMAN
E-ISSN: 2656-5528

Globally Connected Fake Eyelash Industry in Relation to the Increase of Local Income per Capita (Case of Kutasari, Purbalingga Regency)

Galih Nur Seto[1*], Isti Andini[1,2], Hakimatul Mukaromah[1,2]
[1] Urban and Regional Planning Program, Faculty of Engineering, Universitas Sebelas Maret, Surakarta, Indonesia
[2] Pusat Informasi dan Pembangunan Wilayah, Universitas Sebelas Maret, Surakarta, Indonesia
*e-mail: galihnurseto@student.uns.ac.id

(Received: June 14, 2024; Reviewed: July 16, 2024; Accepted: July 18, 2024)

Abstract

The impact of the global economy on foreign investment in various locations has a profound influence on the growth of local industries, including the fake eyelash industry, thereby stimulating local economic development. The emergence of local industries also brings about changes in the economic structure of local communities. This study aims to determine the extent to which local industries contribute to the rise in per capita income within these communities. To achieve this objective, the research initially identifies the characteristics of the industry and subsequently examines their impact on per capita income growth. The results demonstrate that the industry exhibits favorable conditions in terms of workforce, products, and relationships. Moreover, the industry has a high likelihood of positively influencing the increase in per capita income of local communities. In conclusion, local industries play a significant role in bolstering per capita income and even enhancing other aspects related to the community's quality of life.

Keywords: fake eyelash; income per capita; industrial linkages; local economic development

1. INTRODUCTION

Globalization, a defining phenomenon of the past two decades, has reshaped the global economic landscape, prominently through the facilitation of global trade. This transformative process underscores the growing importance of local interactions in driving economic growth, overshadowing traditional spatial considerations (Beer & Clower, 2019). The ease of transferring business capital across borders has propelled the rise of global trade, enabling the emergence of intricate supply chain networks spanning the globe. This evolution has elevated the significance of locality, as regions harness their unique strengths to participate in and benefit from global trade dynamics. Consequently, the emphasis shifts from geographical proximity to the ability to leverage resources and capabilities effectively in a globally interconnected market.

Foreign investment, a key component of global trade dynamics, assumes a pivotal role in driving economic growth and development. Particularly, in the context of Indonesia, foreign investment has catalyzed the emergence of local industries, notably exemplified by the fake eyelash industry. The commodity, which has an export value of US$ 433.4 million and weighs 10,461 tons (Central Bureau of Statistics, 2022), is mostly produced in Purbalingga Regency. The establishment of foreign investment companies in Purbalingga Regency underscores the strategic significance of leveraging local resources and expertise to meet global demand (Noring, 2019). Notably, the fake eyelash industry in Purbalingga Regency highlights the pursuit of production efficiencies, particularly through the utilization of more affordable local labor. This symbiotic relationship between global investment and local industry not only fosters economic development but also underscores the evolving dynamics of globalization in shaping local economies (Figure 1).

Foreign investment companies responded to escalating consumer demand by establishing a central factory on the outskirts of the district city, igniting a ripple effect that spurred the growth of local industries in rural areas like Kutasari Subdistrict (Yum, 2020). This expansion, particularly evident in the specialized fake eyelash sector, not only boosted employment opportunities but also invigorated economic activity within these communities.

Kutasari District has more than 50 eyelash industrial units which is the largest agglomeration in Purbalingga Regency, with more than 1500 workers. Apart from Kutasari District, there are three other subdistricts which also have eyelash industries, but in smaller numbers than Kutasari District. Another thing that compares Kutasari District with the other four

subdistricts is that Kutasari District has a dominating proportion of private employees at 25.69% of the entire workforce in Kutasari District, even exceeding the number of farmers (Central Bureau of Statistics, 2022).

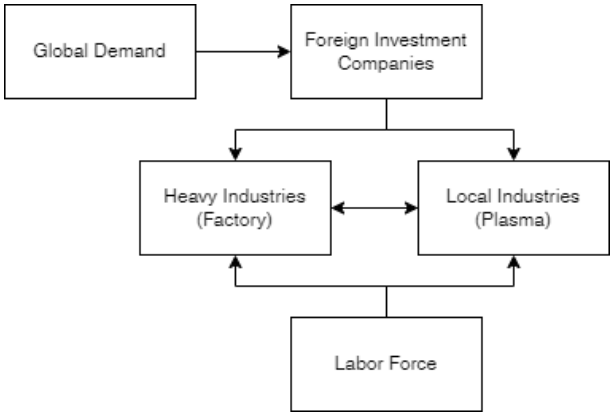

Figure 1. Local Industry Linkages Diagram

Yet, amid these transformations, the comprehensive impact on community well-being remains elusive. Consequently, there's a pressing need for research to delve into how the growing fake eyelash industry influences various aspects of people's lives, mainly the income per capita. Income per capita is the most common indicator of welfare and the most comparable. Besides, in practical terms, income per capita data is also easier to collect. Therefore, this research has a main question of how significant the globally connected fake eyelash industry is related to the increase in income per capita of the people of Kutasari subdistrict. Hypothesis used in this research is that the industry has a significant relationship with the local income per capita. Proven hypothesis in this research would be a good example on how global dynamics bring changes to a sub local level of prosperity in terms of income per capita.

2. THEORITICAL REVIEW

2.1. LOCAL INDUSTRY IN THE GLOBAL ECONOMY CONTEXT

Industry is an effort to produce finished goods from raw materials and/or raw materials through processes in large quantities to obtain the lowest possible unit price with the best possible quality (Millard, 2017). In studying the fake eyelash industry in Purbalingga Regency, previous studies tended to focus on certain parts of the industry, for example distribution patterns, economic activities (Fahmi et al., 2017), related stakeholders (Syafiq & Haryanti, 2022), and worker productivity. The industrial sector aims to produce finished goods from raw materials through large- scale processes to achieve optimal quality at the lowest unit price. Industrial activities are into four types: home craft, small, medium, and large industries based on the number of workers involved (Gu, 2014). A small industry is typically characterized by production activities conducted in local factories situated near the business owner's vicinity, ensuring proximity and localized operations. Most of the workforce in such industries comprises paid employees, reflecting formal employment arrangements. Additionally, the goods produced by small industries are tailored to meet market demands, ensuring alignment with consumer needs and preferences for sustained market relevance and viability (Harsanto & Permana, 2020). The characteristics of small industries, which predominantly employ paid workers and produce goods in demand by the market. The quality of a paid worker can be measured through age, education and skills (Hanan & Hemanto, 2020).

In Kutasari District, the eyelash industry aligns with small to medium-sized local industry criteria, contributing to Local Economic Development (LED). LED, a participatory process, aims to stimulate sustainable economic growth and enhance community welfare. Initially, LED initiatives were government-led, focusing on infrastructure development to attract investment. However, contemporary LED strategies prioritize sector-specific investment and spatial planning, emphasizing human resource development alongside physical infrastructure.

These industries foster economic growth through industrial linkages, representing interconnected segments within the economy. Economic segmentation illustrates the interdependence between large and small companies (Figure 2). Small companies, categorized as leaders, intermediates, and laggards, play diverse roles within the economic ecosystem, ranging from innovation-driven leaders to subcontractors and local service providers (Taylor & Thrift, 2013).

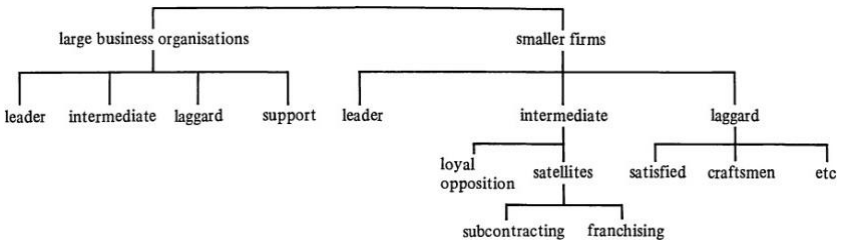

Figure 2. Economic Segmentation Categories (Taylor & Thrift, 2013).

2.2. EFECT OF GLOBAL ECONOMY TO LOCAL ECONOMY

As global economic developments influence the existence of local industries (Gamage et al., 2020), workers in local industries can take advantage of opportunities to improve their economic conditions. Job creation by local industries connected to the global economy has proven to play a significant role in economic growth, especially in developing countries (Chege & Wang, 2020). Local economic activities are related as a form of positive external influence that they provide to the surrounding community in increasing living standards, income per capita, infrastructure development, employment opportunities, and prosperity (Rahmadhani & Herianingrum, 2016). This also improves the socio-economic conditions of society where every level of society gains influence to obtain employment opportunities to increase income, increase purchasing power, adequacy of life and grow businesses to create socio-economic independence in society (Suciadi et al., 2020). Industrial sector has a huge effect on the increasing of income per capita and GDP (Prabowo & Wijaya, 2023)

The relationship between industry and the local economy can be seen from various indicators, such as employment, resource use, infrastructure development opportunities, and incentives (Moghayedi et al., 2022; Tang & Zhu, 2020). However, a comprehensive view of development such as HDI emphasizes that an important part of economic growth is increasing per capita income. HDI comprises three components which include life expectancy, education, and quality of life indices. The main indicator is income per capita, or in a broader context, GDP per capita. GDP per capita means the total gross value added from all producers involved in regional economic activities divided by the total population in the middle of the year (World Bank, 2020). Income per capita and consumption levels reflect societal welfare, with personal income acting as a constraint on individual consumption (Ulfa, 2012). Thus, economic growth must be complemented by social development to improve overall quality of life. Recognizing the importance of HDI, there is the need to enhance individual social quality alongside economic progress for comprehensive human development (Sardar & Nafik, 2016).

2.3. RESEARCH VARIABLES

Research variables in the study are shown in Table 1.

Table 1. Research Variables

Aspect	Variable	Operational Definition
Globally Connected Local Industry	Industrial labor force	The number of workers is based on the classification of industry size and capital which influences the performance of workers in industrial activities
	Industrial products	The number and variety of industrial products each year
	Industrial linkages	The link between industry and its market through distribution channels and the link between industry and its raw material suppliers through the supply flow of raw materials and with human resources.
Local Economy	The increase of income per capita	The income earned by each person each month is in Rupiah

3. RESEARCH METHODS

3.1 THE CASE: KUTASARI DISTRICT AND THE GLOBALLY CONNECTED LOCAL INDUSTRIES

The research area encompasses the entirety of Kutasari District within Purbalingga Regency. Selection of Kutasari District as the research location was based on its active involvement in the eyelash industry. Positioned strategically, Kutasari District shares a border with Banyumas Regency and is in close proximity to the central area of Purbalingga Regency, specifically Purbalingga District, situated just 6.4 km away. The data collection endeavors aim to capture the most recent information available up to the year 2024, with particular attention given to time-series data depicting the

evolution of various components related to the quality of life of the community, commencing from the year 2010. This comprehensive approach ensures a thorough understanding of the dynamics influencing the quality of life within the research area. Figure 3 is the scope of the research area.

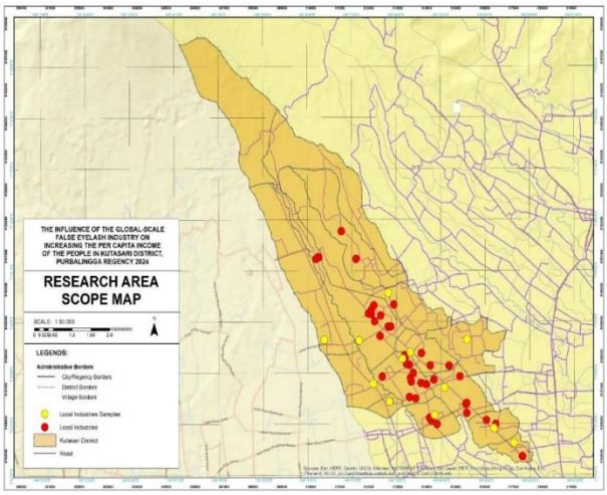

Figure 3. Research Area Scope Map

3.2 RESEARCH APPROACH AND TYPE

The research adopts a deductive approach, commencing with a theoretical framework established through a comprehensive literature review concerning local industry dynamics and the community's quality of life. In this quantitative research paradigm, theoretical underpinnings serve as the foundation for identifying and defining variables (Sugiyono, 2013). These theoretical constructs are subsequently tested within the specific context of Kutasari District, situated within Purbalingga Regency, renowned as a local industrial hub particularly associated with fake eyelash production. By employing this deductive methodological approach, the study seeks to validate and extend existing theories within the unique socio-economic landscape of Kutasari District, thus contributing to a deeper understanding of the interplay between local industry development and community well-being.

3.3 DATA COLLECTION TECHNIQUES

To ensure that the research question could be answered, primary and secondary data collection was carried out. Primary data was obtained through observation, interview, and taking questionnaires. Meanwhile, secondary data was obtained through document study. The research population is 51 local industry players and 1530 workers in these industries. The calculation of the number of samples taken was carried out using the Slovin formula. The reason for using the Slovin formula is the fixed population size. This research uses a tolerance limit of 10% or 0.10. Based on calculations using the Slovin formula, the sample that must be taken from the population is 95 respondents. Furthermore, the sampling technique used in this research is cluster random sampling due to the existence of local industrial groups as clusters. Of the 51 clusters, 12 clusters were taken which represent each village which has local industry in it. The sample size of 95 respondents to the questionnaire was divided into 12 clusters. The sample consists of two companies with CV status, including CV Dwi Jaya and CV Candy Eyelash. Each CV has a branch in each village where the coordinator of each CV branch is the interview sample, as detailed in Table 2.

3.4 DATA ANALYSIS TECHNIQUES

In accordance with the research targets, two analyzes were carried out. The first analysis is an analysis of the characteristics of the fake eyelash industry. This analysis technique uses a scoring method by giving scores to indicators in each variable related to local industry with a Likert scale range (1 to 5) according to the parameters in each indicator. The Likert score obtained by each indicator is used as a weight to obtain the score for each variable. This weighting was chosen to prevent bias between variables considering that each variable has a different number of indicators. The scores for each variable are summed to obtain a total score related to the characteristics of the fake eyelash industry. The total score is compared with the maximum score and multiplied by 100 to obtain the final score regarding the characteristics of the fake eyelash industry. Table 3 is the final score range in the study.

Table 2. Research Samples

Local Industry Sample	Location	Sample Proportion of Questionnaire Respondents	Sample Proportion of Interview Sources
CV Dwi Jaya Plasma Karanglewas	Karanglewas Village	5	1
CV Dwi Jaya Plasma Munjul	Munjul Village	6	1
CV Dwi Jaya Plasma Kutasari	Kutasari Village	9	1
CV Dwi Jaya Plasma Karangklesem	Karangklesem Village	6	1
CV Candy Eyelash Plasma Karangreja	Karangreja Village	11	1
CV Dwi Jaya Plasma Karangaren	Karangaren Village	3	1
CV Dwi Jaya Plasma Limbangan	Limbangan Village	8	1
CV Candy Eyelash Plasma Cendana	Cendana Village	9	1
CV Dwi Jaya Plasma Sumingkir	Sumingkir Village	9	1
CV Dwi Jaya Plasma Meri	Meri Village	7	1
CV Dwi Jaya Plasma Candiwulan	Candiwulan Village	10	1
CV Dwi Jaya Plasma Karangcegak	Karangcegak Village	12	1
TOTAL		95	12

Table 3. Scoring Conditions

Score	Condition
0-20	Terrible
21-40	Bad
41-60	Mediocre
61-80	Good
81-100	Exceptional

Details of this weighting can be seen in Table 4.

Table 4. Variables Related to Local Industry

Variable	Subvariable	Indicator	Weighting				
			1	2	3	4	5
Industrial labor force	Total manpower	Total manpower	0.50	1.00	1.50	2.00	2.50
	Quality of labor	Age	0.17	0.34	0.50	0.87	0.63
		Last education	0.17	0.34	0.50	0.87	0.63
		Skills	0.17	0.34	0.50	0.87	0.63
Industrial products		Number of product variations	0.50	1.00	1.50	2.00	2.50
		Annual production amount	0.50	1.00	1.50	2.00	2.50
Industrial linkages	Forward linkage	Linkages related to product distribution	0.50	1.00	1.50	2.00	2.50
	Backward linkages	Linkages related to production raw materials	0.25	0.50	0.75	1.00	1.25
		Linkages related to the quality of life of local communities	0.25	0.50	0.75	1.00	1.25

The final analysis is an analysis of the influence of local industry on increasing the income of local communities, which is carried out using ordinal regression testing using IBM SPSS 26 software. The input used in this analysis is data from processing the Likert scores of the first analysis related to local industry and the delta value of improving working conditions, and pre-employment conditions in the second analysis. The delta value is reinterpreted in the form of a score to enable ordinal regression testing to be carried out as shown on Table 5.

Table 5. Delta Scoring on the Increase of Income Per Capita

Delta	Score	Condition
0	1	There is no improvement in conditions
1	2	There is a small improvement in conditions
2	3	There has been a significant improvement in conditions
3	4	There is a significant improvement in conditions
4	5	There is a very significant improvement in conditions

The model used for ordinal logistic regression is a logit model in the form of a cumulative logit model. In this model, the ordinal nature of response Y is expressed in cumulative probability so that this model is obtained by comparing the probability of being less than or equal to the jth response category at p. This model can be written as equation (1).

$$P(Y \leq j|x = \log\left(\frac{P(Y \leq j|x)}{P(Y > j|x)}\right) \quad \text{..... (1)}$$

The cumulative probability, $P(Y \leq j/x)$ is defined as equation (2).

$$P(Y \leq j|x) = \frac{\exp(\theta_i + \sum_0^p \beta_k x_k}{1+\exp(\theta_j + \sum_k^p \beta_k x_k)} \text{..... (2)}$$

In the equation, j = 1, 2, ..., j are response categories. When implementing this model in SPSS, the parameters of the ordinal logistic regression model can be estimated using the maximum likelihood method which obtains the maximum estimate for β with the initial step that forms the likelihood function. Estimating this parameter requires an iterative method in the form of the Weighted Least Square (WLS) iterative method, namely the Newton-Raphson algorithm. If the likelihood ratio value (G2) is greater than the chi-square distribution with a certain degree of freedom or the probability value (Sig.) is smaller than the significance level (α), then the independent variable simultaneously influences the dependent variable, vice versa.

After the coefficients of the regression model have been estimated, testing needs to be carried out to determine which predictor variables have a significant effect on the response variable, through simultaneous and partial parameter testing. Considering that local industry variables can only work simultaneously; testing is only carried out simultaneously in an effort to examine the role of each predictor variable in the model simultaneously through the Likelihood Ratio test. The test was carried out with predictor variables related to the fake eyelash industry in the form of industrial labor force (X_1), industrial products (X_2), and industrial linkages (X_3) as well as a response variable in the form of an increase in people's income per capita (Y).

After that, a goodness-of-fit test is carried out to find out the accuracy of the observed frequency with the expected frequency. This test uses the Pearson chi-square (D) value, which if it is smaller than the chi-square distribution with certain degrees of freedom or the probability value (Sig.) is greater than the significance level (α), then the model is considered appropriate. Meanwhile, if D is smaller and Sig. Larger, the model is considered inappropriate.

Next, the Nagelkerke R-Square test was carried out to determine the percentage of suitability of a model with an interval of 0 to 0,1. The closer the value is to 1, the more suitable and valid the model being tested, which means the model can explain variations in the observed dependent variable as large as the R-Square value. Finally, the Odds Ratio calculation is carried out to obtain the magnitude of the effect. Odds Ratio is used to compare the relative chances of a desired outcome occurring based on the variables tested. Odds Ratio (OR) is calculated from the equation obtained in each test. The greater the OR value indicates the stronger the strength of the relationship between the independent variable and the dependent variable, which also means the probability that the independent variable influences the dependent variable.

4. RESULT AND DISCUSSION

4.1 ANALYSIS OF THE CHARACTERISTICS OF THE FALSE EYELASH INDUSTRY

4.1.1 Industrial Labor Force

The fake eyelash industry labor force working at CV Dwi Jaya is dominated by women, while CV Candy Eyelash is dominated by men. The reason for selecting women as workers is the condition of housewives who cannot work in factories but have the desire to remain productive. Business actors use this potential to employ workers in the plasma industry. Meanwhile, CV Candy Eyelash focuses more on male workers due to the dominance of female employees in the industry. To reduce unemployment in the local area, this CV employs men who do not yet have jobs or independent businesses. Details of the number of workers used in the sample and their ages are shown in Table 6.

The number of active workers at CV Dwi Jaya over the age of 25 years has continued to increase in the last five years considering that the work system does not require workers to be present directly in the plasma industry. CV only requires workers to complete their tasks according to predetermined targets. On the other hand, the number of active workers at CV Candy Eyelash experienced a decline due to a decrease in the number of orders due to the closure of the TikTok Shop application by the government. When this final project was prepared, the number of active workers had recovered to its original condition.

Table 6. Number of Workers based on Age

Sample	Numbers of Workers based on Age					Sample Count
	17-20	21-30	31-40	41-50	51-60	
CV Dwi Jaya Candiwulan	0	0	6	4	0	10
CV Dwi Jaya Karangaren	0	0	1	2	0	3
CV Dwi Jaya Kutasari	0	1	6	2	0	9
CV Dwi Jaya Sumingkir	0	3	3	3	0	9
CV Dwi Jaya Karangklesem	0	0	4	2	0	6
CV Dwi Jaya Limbangan	0	0	5	3	0	8
CV Dwi Jaya Meri	0	0	4	2	1	7
CV Dwi Jaya Karangcegak	0	0	6	6	0	12
CV Dwi Jaya Karanglewas	0	1	3	1	0	5
CV Dwi Jaya Munjul	0	1	3	2	0	6
CV Candy Eyelash Karangreja	1	6	3	1	0	11
CV Candy Eyelash Cendana	4	2	2	1	0	9
Total	**5**	**14**	**46**	**29**	**1**	**95**

The final education of the labor force in each CV is dominated by junior high school/equivalent, with all sample respondents having a junior high school education. This is also a special target for both CVs where large industries in Purbalingga Regency tend to employ workers who are high school graduates/equivalent so that there is a group of productive people who have difficulty getting jobs in large industries. Prospective workers are not given difficult conditions when registering, just having the desire to learn is enough. Workers with a minimum of junior high school/equivalent education are trained to have the skills to produce fake eyelashes and operate computers for recapitulation and marketing. The skills required by the labor force are adjusted to the fake eyelash production process listed in the subchapter on industrial linkages. The workers in both CVs are not bound by contracts and only work when needed or are often referred to as freelance. However, the need for labor always exists on a regular basis. Specifically for CV Candy Eyelash, workers must be present in person with working hours from 08.00 (GMT+7) to 16.00 (GMT+7).

4.1.2 Industrial Products

The products produced by the fake eyelash industry vary, depending on the model and size (Figure 4). Some fake eyelashes that are larger in size and have a higher level of complexity are priced more expensively, with the price range for fake eyelashes between IDR 5,000 each. The difference in eyelash containers is also a factor in the price difference. In one production stage, the company tends to focus on certain models ordered (CV Dwi Jaya) or certain models that are currently in demand by the market (CV Candy Eyelash). In general, the differences between models are in design, size and feather thickness. Most of CV Dwi Jaya's products are ordered in large markets, while CV Candy Eyelash products are mostly ordered by individuals via online shopping sites.

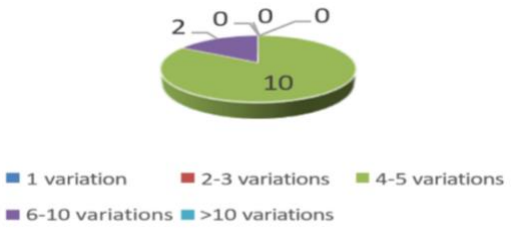

Figure 4. Number of Product Variations

The target and production capacity of fake eyelashes at CV Dwi Jaya and CV Candy Eyelash is quite fluctuating and follows market demand. Both tend to produce only a few products for stock and only produce large quantities when there is demanded to prevent losses due to unsold products. CV Dwi Jaya produces an average of 6,000 to 7,000 pieces every month while CV Candy Eyelash produces an average of 20,000 pieces every month. In their production activities, both CVs have exceeded the Production BEP, so they always make a profit.

4.1.3 Industrial Linkages

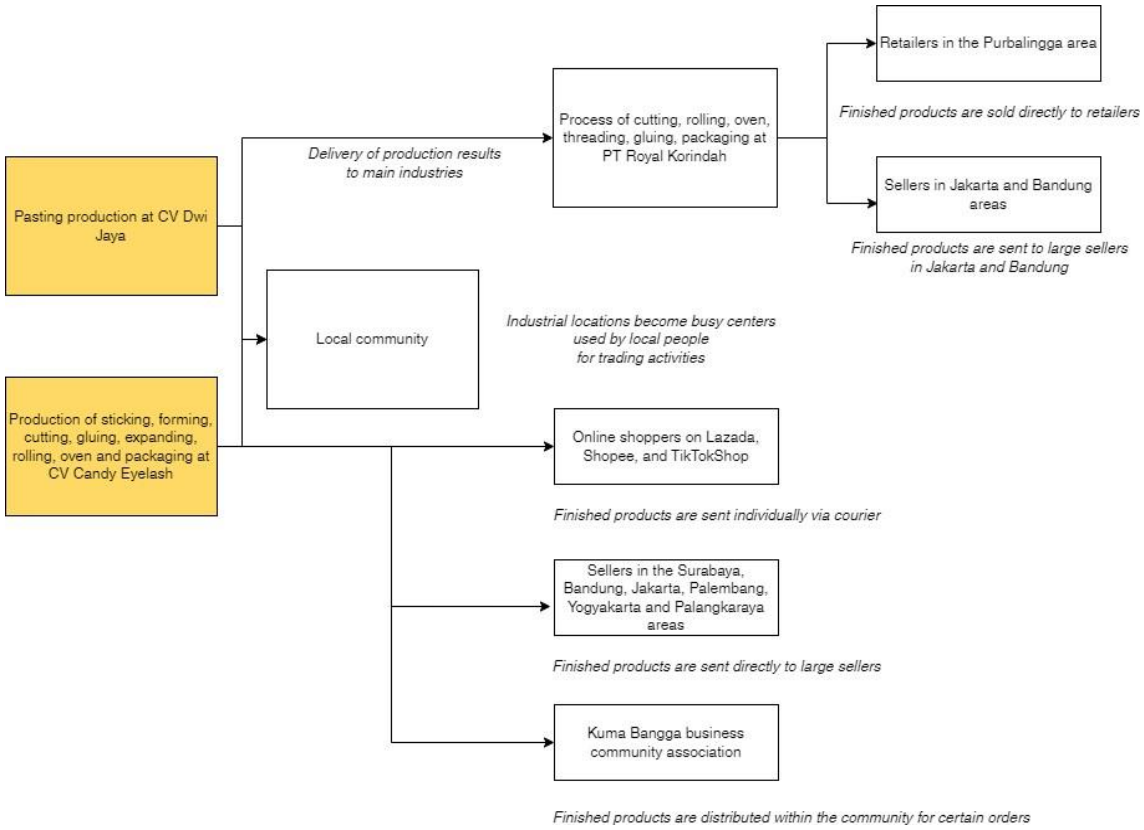

Figure 5. Fake Eyelash Industry Forward Linkage Flow Chart

It can be seen from Figure 5 that both CVs assume that industrial linkages related to product distribution have easy and branched access. Apart from that, if you look at the linkage chart, in the industrial front linkage, production results are channeled to other places. At CV Dwi Jaya, the fake eyelash production process generally starts with attachment to the local industry. Attachment activities are divided equally among all employees according to the target time, generally under five days. The lashes that have been attached are returned to the company to carry out further processes including cutting the lashes according to the pattern, rolling the lashes to create a curly condition, baking the lashes in the oven to maintain their shape, as well as installing thread and glue followed by packaging. Some of the finished products are sold to retailers around Purbalingga while some are sold in large markets in Jakarta and Bandung. For the community, local plasma industry activities form a community and crowd which stimulates the formation of other economic activities such as trade around the industrial location.

Apart from that, a savings and credit cooperative were also created for workers without service fees or interest, so that workers only need to return the nominal amount of money borrowed before Eid al-Fitr every year. On the other hand, all production activities are carried out under one roof at CV Candy Eyelash. Production activities begin with sticking, forming with a malle, evenly distributing the eyelashes so they stay attached, cutting, gluing, expanding, rolling, followed by baking in the oven, and ending with packaging in a flare container. Most of the finished products are sold individually through the online shopping sites Lazada, Shopee and TikTok Shop in four affiliated stores, namely Purba Eyelash, Gavi Eyelash, Candy Eyelash and Rafa Eyelash. The four stores are managed together with CV Candy Eyelash management. Every day, products are packaged according to orders to be picked up by couriers in the afternoon. Finished products are also marketed through direct sales to large shops in Java such as Surabaya, Bandung, Jakarta and Yogyakarta (Figure 6).

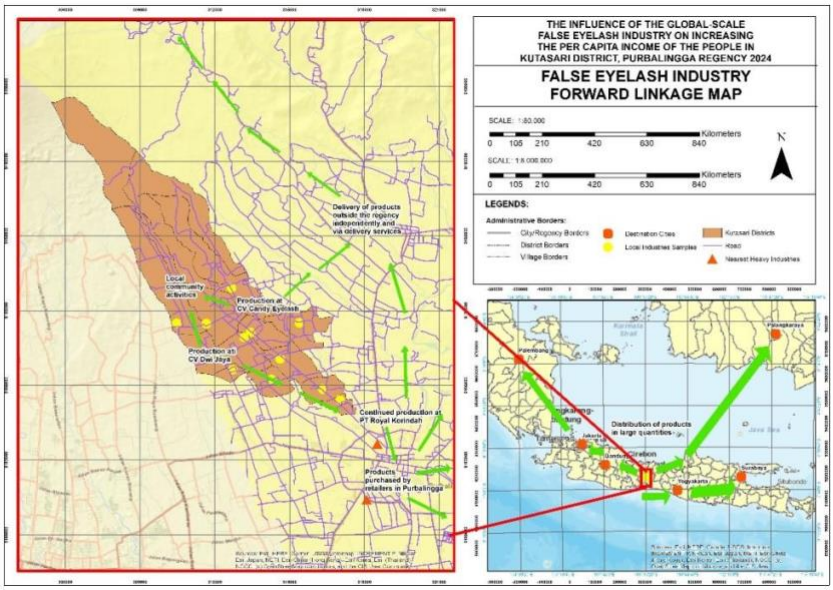

Figure 6. Fake Eyelash Industry Forward Linkage Map

Most shops have implemented cooperation so that further distribution is only for the supply of goods. The frequency of direct sales is once every two months, with large market sales with a nominal value of between IDR 26.000.000 to IDR 5.000.000 in one sale. Apart from that, finished products are also distributed within the Kuma Bangga business cooperative for certain orders. This cooperative consists of 25 active fake eyelash entrepreneurs throughout Purbalingga Regency which was only established in 2023. This cooperative was established to facilitate market acquisition, transfer technology, and simplify the procurement of production tools and materials. Just like CV Dwi Jaya, CV Candy Eyelash also creates savings and loan activities for workers without service fees or interest by deducting workers' wages.

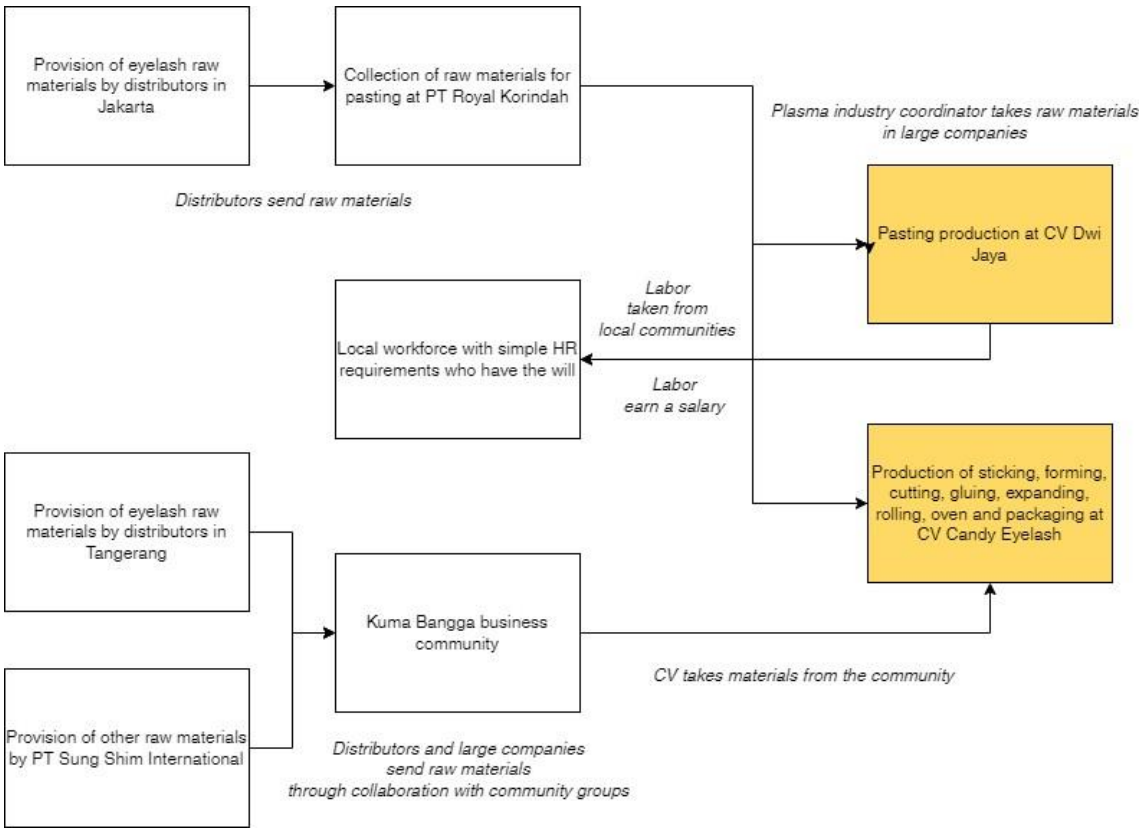

Figure 7. Fake Eyelash Industry Backward Linkage Flow Chart

The flow chart above (Figure 7) shows that industry has easy and centralized access to obtain raw materials and has an impact on increasing income and continuation for the labor force according to most respondents. Meanwhile, from the

industry linkage chart, in the CV Dwi Jaya industry linkage, the raw material production factor in the form of synthetic hair is obtained from special distributors, including complementary materials such as masking and double- sided tape. The number of materials ordered also exceeded the production target as an effort to prevent damage. These materials are from PT Royal Korindah in quantities according to orders, which were previously distributed from distributors in Jakarta. Apart from that, labor production factors are also obtained from the surrounding community in exchange for wages so that people have income instead of being unemployed.

Meanwhile at CV Candy Eyelash, the role of the Kuma Bangga business cooperative is quite dominant in obtaining raw materials distributed from Tangerang (Figure 8). Other raw materials are obtained in collaboration between the cooperative and PT Sung Shim International to obtain more affordable prices. Orders for raw materials are carried out every 3-5 months. Labor production factors are also obtained from the surrounding community, especially men in exchange for wages so that people have income instead of being unemployed. The diversity of the male labor force is demonstrated by the wide age range and the condition of several workers who are disabled.

The research findings align with Taylor & Thrift's (2013) concept of cooperation between local and large industries, positioning local entities as subcontractors to larger counterparts. Specifically, the fake eyelash industry in Kutasari District operates as a subcontractor, primarily focusing on fake eyelash manufacturing. These subcontractors procure some materials from larger companies while also sourcing some independently. Notably, credit offerings from larger companies extend not only to subcontractors but also to their employees, reflecting intricate economic relationships within the industry.

The development of the local industry, facilitated by Local Economic Development (LED) initiatives, is bolstered by capital availability, encompassing social, human, financial, physical, and natural capital. Cooperative formations, such as the Kuma Bangga Cooperative, serve to coordinate activities, mitigate risks, and enhance market access for fake eyelash businesses. However, physical capital remains somewhat deficient, with limited technological advancements and infrastructure dedicated to LED development within the fake eyelash industry's purview.

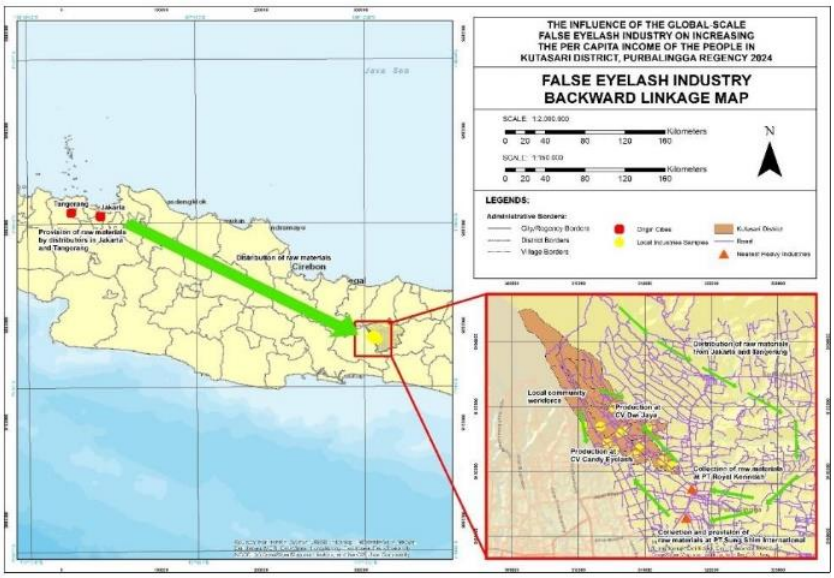

Figure 8. Fake Eyelash Industry Backward Linkage Map

Moreover, the analysis reveals that the fake eyelash industry in Kutasari District exhibits approximately 78% conformity with the optimal conditions expected in theoretical frameworks related to local industries. Nonetheless, shortcomings such as distant access to large industries and raw material producers, inadequate road infrastructure, and the absence of wastewater treatment facilities pose challenges. Conversely, the industry's location within residential areas and the relatively low education levels of its workforce, while not optimal, are characteristic features conducive to sustaining LED

4.2 INCREASE OF INCOME PER CAPITA

The income per capita of each employee or worker in the fake eyelash industry is assessed based on loyalty rather than performance, considering the same job desk. At CV Dwi Jaya, each worker is paid according to the number of fake eyelashes done, with one eyelash priced at IDR 3,000 to IDR 5,000. These wages are paid twice a month on the 5th and 20th. Meanwhile at CV Candy Eyelash, each worker is paid daily without a target of IDR 70,000 with overtime pay of IDR

10,000 per hour. The increase in income per capita certainly occurred from the previous condition where employees were unemployed (Figure 9). Even so, both employees at CV Dwi Jaya and CV Candy Eyelash still tend to earn income per capita in the range of IDR 0,00 to IDR 1,900,000 which means the lowest category.

Figure 9. Income per Capita Diagram

In line with the World Bank, one marker of a good quality of life is income per capita as an effort to escape poverty. The increase in income per capita among respondents tends to be small when adjusted to the standard income per capita distribution class. If this distribution is not considered, the increase in income per capita in society is quite significant, with a change from IDR 0 to<IDR 1,900,000, or from having no income to having an income in the lowest class, tending to be below the Provincial Minimum Wage (UMP) and Regency/City Minimum Wage (UMK). Even though work is done close to home, is flexible, and has limited alternatives, low income can still change people's quality of life.

4.3 THE INFLUENCE OF LOCAL INDUSTRY ON INCREASING INCOME PER CAPITA

The independent variable (X) in the form of variables related to local industry and the dependent variable (Y) in the form of an increase in income per capita was tested using an ordinal logistic regression model.

Table 7. Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	30.828			
Final	3.706	27.122	2	.000

In the simultaneous influence test via the likelihood ratio test (Table 7), a likelihood ratio (G2) value of 27.122 was obtained which was greater than the chi-square distribution with 2 degrees of freedom (X_2) of 4.61 or a probability value (Sig.) 0.00 which is smaller than the significance level (α) 0.10. With H_0 in the form of an independent variable that has no effect on the model simultaneously and H_1 in the form of an independent variable that has an effect on the model simultaneously and reject H_0 if G2 > X_2 or Sig. < α, the decision is obtained that H_0 is rejected so that the industry variable simultaneously influences the variable increasing income per capita.

Table 8. Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	.000	1	1.000
Deviance	.000	1	1.000

The next test is testing the suitability of the model through the goodness-of-fit test. Based on the Table 8, the Pearson chi-square (D) value is 0.00 which is smaller than the chi-square distribution with 1 degree of freedom (X_2) of 2.71 or the probability value (Sig.) 1.00 which is greater than the significance level (α) 0.10. With H0 in the form of a suitable model (there is no difference between observations and predictions) and H_1 in the form of an inappropriate model, and reject H_0 if $D > X_2$ *or* $Sig. < \alpha$, a decision is obtained that H_0 fails to be rejected so that the model is considered appropriate.

Table 9. Pseudo R-Square

Cox and Snell	.248
Nagelkerke	.735
McFadden	.692

The test results show that this ordinal logistic regression model has a Nagelkerke R-square value of 0.735 (Table 9). This means that the model can explain around 73.5% of the variation in the observed ordinal dependent variable, or 26,5% of the variation in the dependent variable of increasing income is explained by other variables outside the model.

Table 10. Parameter Estimates

		Estimate	Std. Error	df	Sig.
Threshold	[Y_Income = 1,00]	2.485	1.041	1	.017
Location	[X_Labor = 3,00]	-24.191	.000	1	
	[X_Labor = 4,00]	0		0	
	[X_Linkages = 4,00]	3.871	1.528	1	.011
	[X_Linkages = 5,00]	0		0	

Based on parameter estimates (Table 10), this model has the equation (3).

$$P(Y \leq 1|X) = C = \frac{\exp(2{,}485+24{,}191\text{labor}(3)-3{,}871\text{linkages}(4))}{1+\exp(2{,}485+24{,}191\text{labor}(3)-3{,}871\text{linkages}(4))} \quad \text{..... (3)}$$

Based on the equation, an Odds Ratio (OR) value of 1.00 is obtained. This means that the probability of local industry having an influence on increasing income per capita is 100% Indeed, the impact of the fake eyelash industry extends beyond merely increasing income per capita. Local economic activities, such as those within the fake eyelash industry, serve as positive external influences, enriching society by enhancing living standards, infrastructure development, employment opportunities, and overall prosperity. Economic activity directly contributes to raising income per capita, subsequently influencing other parameters of quality of life. As income levels rise, expenditure patterns shift, affecting individual consumption habits. Moreover, economic activity yields indirect benefits, shaping future physical and social assets. Improved income levels enable individuals to pursue better living conditions, including investments in housing for enhanced livability and health. This underscores the broader socio-economic significance of local industries like the fake eyelash sector, which play pivotal roles in driving local development and fostering community well-being beyond mere financial gains.

5. CONCLUSION

The impact of the global-scale fake eyelash industry on enhancing the quality of life in Kutasari District manifests in both direct and indirect sequences. Direct influence is primarily observed in the elevation of income per capita. The local fake eyelash industry in Kutasari, Purbalingga, aligns closely with criteria conducive to exerting optimal influence, scoring 78 out of 100. Key characteristics include the workforce composition, industrial products, and the comprehensive front and back linkages within the industry. These linkages form a seamless network facilitating material procurement, production, distribution, and marketing in various cities across Indonesia. Furthermore, the influence of the local industry on enhancing the income per capita of Kutasari District's residents, tested through ordinal regression analysis, yielded significant results with a probability of 1.00. It's worth noting that additional effects beyond the model's scope may also contribute to the increase in income per capita. Consequently, the local industry's characteristics, encompassing workforce, products, and relationships, exert a substantial direct influence on income per capita growth, a pivotal parameter in enhancing the quality of life for the people of Kutasari District. Industries that are not yet optimized in their characteristics may still play a crucial role in augmenting income per capita, emphasizing the multifaceted dynamics at play in local economic development.

REFERENCES

Beer, A., & Clower, T. L. (2019). *Globalization, Planning And Local Economic Development* (1st Ed.). Routledge. Https://Doi.Org/10.4324/9781315749624

Chege, S. M., & Wang, D. (2020). Information Technology Innovation And Its Impact On Job Creation By Smes In Developing Countries: An Analysis Of The Literature Review. *Technology Analysis & Strategic Management*, *32*(3), 256–271. Https://Doi.Org/10.1080/09537325.2019.1651263

Fahmi, F. Z., Mccann, P., & Koster, S. (2017). Creative Economy Policy In Developing Countries. *Urban Studies*, *54*(6), 1367–1384. Https://Www.Jstor.Org/Stable/26151420

Gamage, S. K. N., Ekanayake, E. M. S., Abeyrathne, G., Prasanna, R., Jayasundara, J., & Rajapakshe, P. S. K. (2020). A Review Of Global Challenges And Survival Strategies Of Small And Medium Enterprises (Smes). *Economies*, *8*(4). Https://Doi.Org/10.3390/Economies8040079

Gu, X. (2014). Creative Industries, Creative Clusters And Cultural Policy In Shanghai BT - Cultural Policies In East Asia: Dynamics Between The State, Arts And Creative Industries. In H.-K. Lee & L. Lim (Eds.), *Cultural Policies In East Asia* (Pp. 174–192). Palgrave Macmillan UK. Https://Doi.Org/10.1057/9781137327772_11

Hanan, H., & Hemanto, D. (2020). From Clothing To Culinary Industries: Creativity In The Making Of Place. *Creative Industries Journal*, *13*(2), 117–136. Https://Doi.Org/10.1080/17510694.2019.1673121

Harsanto, B., & Permana, C. T. (2020). Sustainability-Oriented Innovation (SOI) In The Cultural Village: An Actor-Network Perspective In The Case Of Laweyan Batik Village. *Journal Of Cultural Heritage Management And Sustainable Development*, *11*(3), 297–

311. Https://Doi.Org/10.1108/JCHMSD-08-2019-0102
Millard, E. (2017). Still Brewing: Fostering Sustainable Coffee Production. *World Development Perspectives*, *7–8*, 32–42. Https://Doi.Org/Https://Doi.Org/10.1016/J.Wdp.2017.11.004
Moghayedi, A., Richter, I., Owoade, F. M., Kapanji-Kakoma, K. K., Kaliyadasa, E., Francis, S., & Ekpo, C. (2022). Effects Of Urban Smart Farming On Local Economy And Food Production In Urban Areas In African Cities. *Sustainability*, *14*(17). Https://Doi.Org/10.3390/Su141710836
Noring, L. (2019). Public Asset Corporation: A New Vehicle For Urban Regeneration And Infrastructure Finance. *Cities*, *88*, 125–135. Https://Doi.Org/Https://Doi.Org/10.1016/J.Cities.2019.01.002
Prabowo, D., & Wijaya, S. (2023). Effect Of Industry And Service Sectors On Goods And Services Tax Revenue In The G20: Per Capita Income As A Moderator. *Educoretax*, *3*(4), 423–431. Https://Doi.Org/10.54957/Educoretax.V3i4.662
Rahmadhani, E. R., & Herianingrum, S. (2016). Dampak Eksternalitas Positif PT. Petrokimia Gresik Terhadap Masyarakat Dalam Perspektif Maqashid. *Jurnal Ekonomi Syariah Teori Dan Terapan*, *3*(10). Https://Doi.Org/10.20473/Vol3iss201610pp782
Sardar, Z., & Nafik, H. R. M. (2016). Kesejahteraan Dalam Perspektif Islam Pada Karyawan Bank Syariah. *Jurnal Ekonomi Syariah Teori Dan Terapan*, *3*(5). Https://Doi.Org/10.20473/Vol3iss20165pp391
Suciadi, M., Purnomo, E. P., & Kasiwi, A. N. (2020). Eksternalitas Positif Tambang Batubara Terhadap Kesejahteraan Sosial Ekonomi Masyarakat Di Kabupaten Kutai Kartanegara. *Jurnal Ilmiah Dinamika Sosial*, *4*(2), 267. Https://Doi.Org/10.38043/Jids.V4i2.2458
Sugiyono. (2013). *Metode Penelitian Kuantitatif, Kualitatif, Dan R&D*. Alfabeta.
Syafiq, F. N., & Haryanti, R. H. (2022). Analisis Stakeholder Dalam Upaya Mempertahankan Industri Bulu Mata Palsu Guna Mengantisipasi Pengangguran Di Kabupaten Purbalingga. *Jurnal Administrasi Publik*, *13*(1), 46–60. Https://Doi.Org/10.31506/Jap.V13i1.11575
Tang, W., & Zhu, J. (2020). Informality And Rural Industry: Rethinking The Impacts Of E-Commerce On Rural Development In China. *Journal Of Rural Studies*, *75*, 20–29. Https://Doi.Org/10.1016/J.Jrurstud.2020.02.010
World Bank. (2020). *GNI Per Capita, Atlas Method (Current US$)*. Data.Worldbank.Org. Https://Data.Worldbank.Org/Indicator/NY.GNP.PCAP.CD
Yum, S. (2020). The Relationship between Creative Industries and the Urban Economy in the USA . *Creative Industries Journal*, *13*(2), 95–116. https://doi.org/10.1080/17510694.2019.1668741