Smart Economy to Strengthen the Local Economy of Mataram City

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Abstract

The economic growth of Mataram City in the last five years has relied on mainstay economic activities, namely the construction, services, and wholesale and retail trade categories. One of the priority issues in the Long-Term Development Plan (LTDP) document in Mataram City today and in the future is the development of Smart Economy. The target of Smart Economy is to create an ecosystem that supports community economic activities that are in line with the leading regional economic sectors that are adaptive to changes that occur in the era of disruption. The research method used is a descriptive research method with a qualitative and exploratory approach. The data collection methods used are interview methods, observation methods, and literature reviews. The Smart City developed by the Mataram City Government in the future is a smart city in developing and managing resources effectively and efficiently to maximize public services, education, and halal tourism and support sustainable development by utilizing information and communication technology with values - Advanced Religious and Cultural which are implemented through the Long-Term Development Plan (LTDP) Medium-Term Development Plan (MTDP).

Key Words: smart city, smart economy, local economy

Background

Smart city as a city based on a network, where the network can provide public services to create socio-economic value for business actors and the community (Dameri, 2012) in (Deakin, 2014). The concept of a smart city is a concept of building an environment where people in the regional area can interact and share knowledge, experiences, and common interests. In addition, the function of the smart city concept is to integrate urban information and create public spaces through an internet network for people

who live or visit the city. By using the concept of a smart city, a city can summarize (such as data, information, public services, and so on) to make it easier for everyone to make decisions (Ishida and Hiramotsu, 2001) in (Deakin, 2014).

Smart cities are innovative efforts made by city ecosystems to address various issues and improve the quality of life of humans and local communities. The Ministry of Communication and Informatics through the Directorate of Government Informatics Application Services (GIAS) together with the Ministry of Home Affairs, Ministry of National Development Planning (NDP) , Ministry of Public Works and Housing (PWH), Presidential Staff Office, Ministry of Finance, Ministry The Coordinator of the Economy and the Ministry of PANRB initiated the implementation of the Movement Towards 100 Smart Cities.

The development of Smart Economy is a manifestation of the demands of changing times, where today's economic activities that can win the competition are economies characterized by four indicators such as simpler, cheaper, accessible, and faster. These four indicators can be achieved by mastering information technology and internet technology.

Based on Griffinger et al. (2007:10-14) there are seven indicators to achieve Smart Economy. The seven indicators and supporting facilities that can be provided to support a city in achieving Smart Economy are the spirit of innovation and creativity, entrepreneurship, city image and characteristics, productivity, flexible labor market, connectivity with the international world. and the ability to transform (Purnama, et al. 2018).

The economic growth of Mataram City in the last five years has relied on mainstay economic activities, namely the construction, services, and wholesale and retail trade categories. Other activities such as tourism are expected to play a role as new mainstays. A study on the development of the Smart Economy of Mataram City is important to be able to map the economic challenges of Mataram City in the future. (Mataram City Profile, 2018).

One of the priority issues in the LTDP document in Mataram City today and in the future is the development of Smart Economy. This issue is the first priority in addition to the development of the creative economy, quality economic growth, increasing the absorption of labor in leading sectors, and strengthening inclusive economic growth, food and nutrition security, and strengthening the culture of loving domestic products (Smart City Profile, Mataram City, 2018).

The problems that have emerged in Mataram City currently relate to optimizing the use of Android-based application services such as e-commerce which have not been optimally used by the public, due to several obstacles.

Based on the existing problems, a smart solution is needed with the application and collaboration of city ecosystems that can be implemented in the Smart Economy concept. The era of economic disruption is a phenomenon when society shifts economic activities that were originally carried out in the real world to the virtual world. The target of Smart Economy is to create an ecosystem that supports community economic activities that are in line with the superior economic sectors of the region that are adaptive to changes that occur in the era of disruption.

The concept of Smart Economy is indeed an interesting thing, a city with smart technology support in supporting daily economic activities that will make it easier for humans. To achieve its goals,

it must be supported by a modern human mindset. Awareness of the environment, maximum utilization of technology, and awareness of the importance of a smart lifestyle that needs to be considered by every element of society living in urban areas. Based on this, this study takes the title "Smart Economy for Strengthening the Local Economy of Mataram City".

Research purposes
This research aims to:

1) Reviewing programs that have been and will be developed in realizing a Smart Economy to strengthen the Local Economy of Mataram City.

2) Analyzing the supporting and inhibiting factors of the Mataram City government in realizing a Smart Economy

Literature Review
a) Smart City
Deakin defines a smart city as one that leverages ICT to meet market (citizen) demands, and that community involvement in this process is necessary for a smart city. So a smart city will be a city that not only has ICT technology in a particular area, but has also implemented this technology in a way that has a positive impact on the local community.

Smart City is also defined as a city that is able to use human resources, social capital, and modern telecommunications infrastructure to realize sustainable economic growth and high quality of life, with wise resource management through participatory governance, Caragliu, Bo, & Nijkmp, (2009).

According to Cohen (2014) Smart City is a broad, integrated approach to improving the efficiency of a city's operations, improving the quality of life of its residents, and growing its regional economy. Cohen (2014) defines Smart City with environmental aspect weighting as: Smart City uses ICT intelligently and efficiently in using various resources, generating cost and energy savings, improving services and quality of life, reducing environmental footprint, all supporting innovation and an environmentally friendly economy.

In essence, the concept of Smart City is how to connect physical infrastructure, social infrastructure and economic infrastructure using ICT technology, which can integrate all elements in these aspects and create a more efficient and livable city (Muliarto, 2015).

The Smart City concept is now the dream of many big cities in Indonesia. This concept is considered a solution to overcome creeping traffic jams, scattered garbage or environmental monitoring in a place. The journey towards the Smart City concept has also begun to run slowly. Support for applications that continue to develop and the creation of a creative ecosystem in the field of technology, are good first steps towards a smart city. A smart city is a city that is competitive and based on information technology supported by smart governance, increasing the competitiveness of smart regions, synergy of smart economic development, support for smart living ecosystem management, smart community participation, natural resource management and smart environmental maintenance.

According to IEEE Smart Cities.org, a smart city brings together technology, government and society to enable the following characteristics: 1) Smart Economy 2) Smart Mobility 3) Smart

Environment 4) Smart People 5) Smart Living 6) Smart Governance.

Smart city planning in Indonesia refers to the Smart City pillars above (National Development Planning Agency, 2015) which have the following targets:

1) A city performs well with a view to the economy, population, governance, mobility and environment.

2) A city capable of controlling and integrating all infrastructure including roads, bridges, tunnels, subways, airports, ports, communications, water, electricity and building management.

3) Smart city can connect physical infrastructure, IT infrastructure and social infrastructure and business infrastructure to enhance the intelligence of the city.

4) Smart cities make cities more efficient and livable.

5) The use of smart computing to create Smart cities and their facilities including education, health, public safety, transportation that are smarter, interconnected and efficient.

The next step used to assess a city's readiness to become a Smart City according to Enbysk, Liz and Research Director Christopher Williams (2013) is to present several indicators that must be met, these indicators include:

a) Instrumentation and Control

b) Connectivity

c) Interoperability

d) Security and Privacy

e) Data Management

f) Computing Resources

g) Analytical

b) Smart Economy

Smart Economy is a smart economic governance, which is intended to create an economic ecosystem in the region that is able to meet the challenges in the era of disruption that demands a very fast level of adaptation. The era of economic disruption is a phenomenon when society shifts economic activities that were originally carried out in the real world to the virtual world. (Purnama, et al. 2018)

The goal of Smart Economy is to create an ecosystem that supports community economic activities that are in line with the leading regional economic sectors that are adaptive to changes that occur in the era of disruption. For this reason, it is necessary to increase community financial literacy through various programs. This goal is realized by developing three elements, namely:

1) industrial ecosystem
2) improving community welfare
3) financial transaction ecosystem.

The strategy adopted in this Smart Economy emphasizes a creative and synergistic industrial environment, which is mutually beneficial in terms of production, promotion, and even financial transactions, in a conducive atmosphere, so that it can improve the welfare of society.

Smart Economy is the main indicator in a smart city. This indicator includes the spirit to continue to innovate, have an entrepreneurial spirit, always try to be productive and have the ability to change. Because change is something absolute in an increasingly dynamic market. Smart Economy is indicated by the high level of economy and financial welfare of the community with good economic growth and high income/cap. (Yusuf IP, et al. 2018)

The goal of the Smart Economy dimension in Smart City is to create an ecosystem that supports community economic activities that are in line with the region's leading economic sectors that are adaptive to changes occurring in the current information era, as well as increasing community financial literacy through various means.

c) Smart Economy in the Regional Medium Term Development Plan (RMTDP) of Mataram City

Smart Economy is the main indicator in a smart city. This indicator includes the spirit to continue to innovate, have an entrepreneurial spirit. Mataram City towards Smart City strives to be productive and has the ability to change. Because change is something absolute in an increasingly dynamic market. Smart Economy is indicated by the high level of economy and financial welfare of the community with good economic growth and high per capita income.

The targets of Smart Economy in the Mataram City RMTDPC are:

Improving Small and Medium Enterprises through

1) Strengthening Cooperatives and SMEs through increasing digital marketing and business management capacity

2) Development of Small and medium enterprises (SME) database system applications

3) Availability of e-commerce integrated with Cooperative and SME databases and development of creative industry ecosystems

Building a competitive industrial ecosystem.

1) Building an open and accountable licensing system.

2) Integrating with related parties in the industrial ecosystem to accelerate services efficiently and effectively.

Realizing people's welfare.

1) Cooperative development

2) Developing an application to monitor staple food prices at the farmer level and market prices.

3) building an agricultural database connected to a Geographic Information System (GIS) based application.

4) Strengthening economic centers through digital service integration.

5) Providing job opportunity information to the public through online job exchanges and developing service applications for Special Job Exchanges (BKK) in vocational schools in Mataram.

6) Increasing citizen capacity through the provision of digital competency training.

7) Creating a healthy business climate.

Building a financial transaction ecosystem.

1) Availability of policies that support digital financial transaction systems (e-cash).

2) Availability of policies that support business development through access to capital, promotion and marketing.

Research methods

Research Location

The research was conducted in Mataram City. The location of this research was chosen purposively based on the consideration that Mataram City is one of the cities that has just implemented Smart City in the West Nusa Tenggara Province and is actively implementing Smart Economy in increasing economic growth and community empowerment.

Research Methods and Units of Analysis

The research method used is a descriptive research method with a qualitative and exploratory approach. Meanwhile, the unit of analysis is the unit that is observed and will be explained, and is the object of research that can be an individual, group of organizations, society, human works, agencies and so on (Kusmayadi, 2000:29). This study focuses more on the discussion of Smart Economy in Strengthening the Local Economy of Mataram City.

Method of collecting data

The data collection method used is:

a) Interview Method with In-depth Interview and FGD (Focus Group Discussion)

b) Observation method, is a direct survey in the field through observation activities, research, and data or information collection on aspects that are directly or indirectly related to the object being studied.

c) Literature Review, namely researchers study data, both quantitative and qualitative, through documentary sources (reports, articles, regional monographs, scientific books, etc.).

Informants and Researcher Presence

a) Informant

According to Ghony and Fauzan (2012:146) informants are people who are used to provide information about the situation and conditions of the research background. Informants are people who are estimated to master and understand data, information, or facts from a research object (Bungin, 2015:111).

The information obtained in relation to this research comes from several selected informants, including:

- Key informants, namely informants or sources who know the basic information related to this research, namely the Mataram City Smart City Formation Council, because this Council has the rights and authority to run Smart City with several characteristics including Smart Economy in Mataram City.

- The main informants are those who are directly involved in the interactions studied, namely the Mataram City Communication and Information Service, business actors, and MSMEs in Mataram City.

b) Supporting Informants are the community who take advantage of the Smart City program in Mataram City,

including; Regional Work Units (RWU) involved in the implementation of Smart Economy and community leaders.

c) Presence of Researchers

Qualitative researchers as human instruments, function to determine the focus of the research, select informants as data sources, collect data, assess data quality, analyze data, interpret data and draw conclusions from their findings. In the data search process, the author will act as a passive participant by conducting semi-structured interviews with informants. In addition, in collecting data and information, the author is clearly known by the informant that the author is looking for the data needed from the informant with the same method (Sugiyono, 2018: 102).

Validity of Data

The data validity checking technique that will be used by the author in this study is using the triangulation technique, which is a data validity checking technique that utilizes something other than the data for checking purposes or as a comparison to the data (Meleong, 2018: 330). Of the four existing triangulation techniques, in this study the technique used by the author is adjusted to the needs of the study, namely two triangulation techniques, namely source triangulation and method triangulation.

Data analysis

The data analysis model of this study will use the Miles and Huberman data analysis model or interactive model. Miles and Huberman (1984), stated that it continues continuously until complete, so that the data is saturated (Sugiyono, 2018: 133). Activities in interactive model data analysis include: 1) Data collection, 2) data reduction, 3) data display, and 4) Conclusion drawing.

Figure 1. Interactive Model Data Analysis Flow
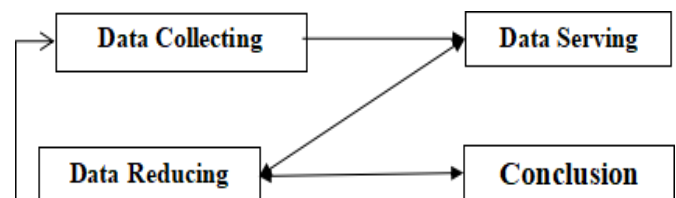

Results

1. Mataram City Profile

West Nusa Tenggara Province consists of two large islands, namely Lombok Island and Sumbawa Island. Mataram City as the capital of West Nusa Tenggara Province is located on Lombok Island. The beginning of the formation of Mataram City was marked by the issuance of Government Regulation Number 21 of 1978 concerning the Establishment of the Administrative City of Mataram. Then changed its status to Mataram City based on Law Number 4 of 1993 with an area of 61.30 km² (6,130 Ha). In 2007, Mataram City experienced regional expansion from three sub-districts and 23 villages to six sub-districts and 50 villages.

Geographically, Mataram City is located at 116o04'–116o10' East Longitude and 08º33'–08º38' South Latitude.

The area of Mataram City is lowland and medium, some others are at an altitude of 50 meters above sea level. This condition shows that most of the area of Mataram City is a flat expanse (75.9%). The flat-sloping area is in the west and rather high-wavy in the east.

Figure 2. Map of Mataram City
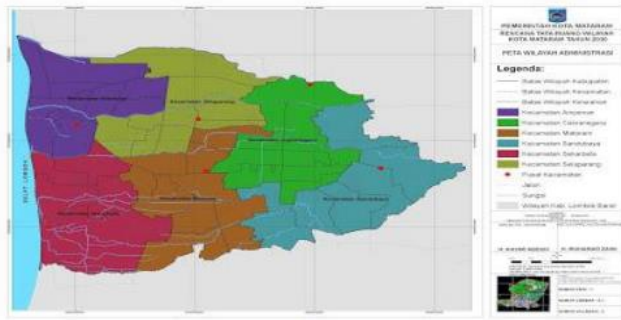
Gambar 1. Peta Kota Mataram

Source: Development Planning Agency at Sub-National Level (DPASNL),Mataram City, 2020

Land use in Mataram City is dominated by residential areas (37.74%) and agriculture (47.00%). In its development, there has been a fairly large land conversion reaching around ± 4.80 Ha/year for housing, office, education and shopping functions. This certainly occurs with the increasingly rapid dynamics of city development and growth which have implications for adjustments to land needs for its development.

The population of Mataram City in 2020 was 486,715 people, Mataram District has the largest population, with 94,363 people or 19.38 percent of the population of Mataram City, while Cakranegara District has the smallest population, with 68,455 people or 14.06 percent of the total population of Mataram City. The population density of Mataram City is 7,940/km2, including a medium-dense area. The sex ratio is 98, which means that the female population is more than the male population.

Future Analysis

The Smart City developed by the Mataram City Government in the future is a smart city in the development and management of resources effectively and efficiently to maximize public services, education,

and halal tourism and support sustainable development by utilizing information and communication technology with Advanced Religious and Cultural values implemented through the Long-Term Development Plan (LTDP) and Medium-Term Development Plan (NTDP).

The objective of the long-term development plan of Mataram City as stated in the Regional long-term development plan (RLTDP) of Mataram City is to realize the vision of "Advanced Religious and Cultured", in this case it is clear that the Mataram City Government wants to implement it through programs that are in favor of the community such as providing optimal services by creating integrated policies and regulatory systems in realizing Good Governance.

Based on considerations of existing conditions, orientation studies, references and literature related to Smart City, Mataram City's Local Original Income (PAD) comes from the Service, Trade and Tourism sectors. So to support the increase in Local Original Income (LOI), integrated public services are needed by utilizing communication technology in the development of services in the service sector both by the government and the private sector. This formulation seeks to expand the scope of services to solve urban problems and is not limited to the e-Government aspect.

The aim of developing a Smart City is to achieve 5 main objectives, namely:

1) Formation of Resources in order to support the implementation of structures, infrastructure and superstructure

2) The establishment of a public service information and transaction network that has quality and scope that can satisfy the community and can be reached throughout the Mataram City area at any time without being limited by time constraints and at a cost that is affordable for the community.

3) Establishing interactive relationships with the business world to enhance regional and national economic development, as well as strengthening the ability to face changes and international trade competition.

4) Establishment of communication mechanisms and channels for the community down to the sub-district level and provision of public dialogue facilities for the community so that they can participate in formulating government policies.

5) Establishment of a transparent and efficient management system and work process and facilitating transactions and services between Regional Apparatus, between Regional Government and Central Government, between Regional Apparatus and the Private Sector.

In this framework, the function of information technology is not merely as a support for existing government management, but rather as a driver of change for fundamental changes in relation to the process of governance. The achievement of all these objectives is a manifestation of an ideal condition in which the government with the support of information technology is able to provide responsive and quality services to the community, the business world or services between government institutions.

Smart Economy Analysis

Smart Economy is indicated by a high level of economic and financial welfare of the community with good economic growth and high per capita income.

Figure 3. Cuklik Craft

Mataram City has a unique handicraft product, which will not be found anywhere else. The name of the handicraft is Cukli. Cukli crafts are crafts made of wood decorated with pieces of shells, which are embedded in the wood. For example, ashtrays, picture frames, tissue holders, jewelry boxes, chairs, tables, cupboards, and even beds. This small village is the "birthplace" of Cukli, which is located about 5 kilometers east of Mataram City. Above the gate

there is a sign saying "Welcome to the Cukli Lendang Re Craft Center".

If you visit Mataram for culinary tourism in the city of Mataram, Ayam Taliwang is one of the typical Mataram culinary delights that is worth trying. This culinary is indeed typical and identical to Lombok Island. Ayam Taliwang is a mandatory menu in various typical Lombok restaurants, even those outside Lombok Island. The selection of high-quality raw materials combined with secret spices makes you want to try it again. The friendly price, with satisfying and friendly service makes anyone want to come back to taste Ayam Taliwang culinary. For tourists who are enjoying a vacation on Lombok Island, there is no need to think twice to experience the delicious sensation of Ayam Taliwang culinary tourism for themselves.

The economy in the service sector consists of a number of restaurants and eateries spread across the city of Mataram which is very promising.

Smart Economy Concept

The first method used in this study is through a literature study to determine the indicators related to the readiness of Mataram City in implementing Smart Economy. Through this method, the latest developments related to the implementation of Smart Economy in various regions will be analyzed, which can provide an overview of the indicators in defining Smart Economy in various stages. After the indicators and benchmarks related to Smart Economy are formed, measurements and mapping will be carried out related to the conditions in Mataram City through descriptive analysis, Focus Group Discussion (FGD), and questionnaire distribution.

Several literatures and practices applied in several regions state that Smart Economy is an integrated part that cannot be separated from the Smart City concept, which includes Smart People, Smart Governance, Smart Mobility, Smart Environment, and Smart Living (see Griffinger, et al., 2007).

Mavrič (2015) compiled Smart Economy indicators into four aspects, namely the spirit of innovation, entrepreneurship, labor market flexibility, and international connectivity. Meanwhile, Cohen (2014) specifically compiled several Smart Economy indicators in the form of aspects of entrepreneurship and innovation, productivity (EIP), and local-global connectivity (exports, organizing international events).
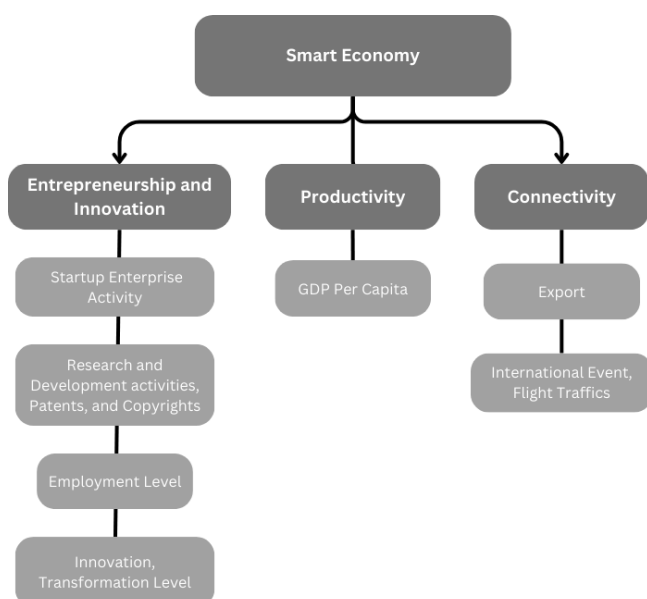

Figure 4. Selected Smart Economy Indicator Series

Source: Data Processing Results

Smart Economy and Regional Long-Term Development Plan (RLTDP) of Mataram City

Smart Economy or intelligent economy includes innovation and competition, if more and more new innovations are developed, it will increase new business opportunities and increase competition in the business/capital market. Smart Economy is one dimension in the smart city concept which contains all aspects of the city's macro economy. Smart Economy is a concept where individuals in a city/region can live freely and can determine their own path in life to contribute to the city's economy. The achievement of Smart Economy comes from employment and poverty rates in a city. And in a broader scope, poverty is influenced by community welfare. Welfare in the city of Mataram is represented by the Human Development Index (HDI) and the Open Unemployment Rate (OUR). Another thing that influences poverty is the productivity of a city which is represented by the Gross Regional Domestic Product (GRDP). Based on the Mataram City Regional Long-Term Development Plan (RLTDP) for the 2005-2025 period, Mataram City has a mission to realize a regional economy based on local economic potential. As well as realizing a synergistic cooperation pattern in creating a just and ethical economy. To realize the RLTDP, Mataram City has a medium-term mission in the Regional Medium-Term Development Plan (RMTDP) for the 2016-2021 period in the economic aspect. The three points of the RMTDP mission are to empower the community and create business opportunities, realize Mataram as a center for connecting trade and services between islands and internationally, and strengthen the competitiveness of local economic businesses, product and service innovation, and the development of creative industries. According to the RMTDP document for the 2016-2021 period, the percentage of initial conditions related to economic studies/recommendations that are utilized as a basis for policies/decisions is still at 0%. So this research needs to be conducted to support the program for controlling the implementation of regional head policies. The target of Smart Economy is to realize an ecosystem that supports community economic activities that are in line with the superior economic sectors of the region that are adaptive to changes in the current information era, as well as increasing community financial literacy through various programs including realizing a less-cash society. The strategy to achieve the Smart Economy target emphasizes a synergistic industrial environment, which is mutually beneficial in terms of production, promotion, and even financial transactions, in a conducive atmosphere, so that it can improve the welfare of society.

More clearly, the strategies in Smart Economy include:

a) **Building a competitive industrial ecosystem.**
Building a competitive industrial ecosystem is very necessary to increase the selling value of the industry in Mataram City. To support this, there are several activities that need to be carried out, namely: 1) An open and accountable business licensing system. 2) Sustainable integration of primary, secondary, tertiary industries through efforts: a) Making local products that can compete with existing on the market. b) Increasing product innovation by increasing product quality and capacity through the use of IT. c) Development and empowerment of creative homes. d) Developing price monitoring applications.

b) **Realizing people's welfare**

Efforts based on people's economy will bring positive results in improving people's welfare. Cooperatives, people's industry, and MSMEs are bridges for people's economic activities towards prosperity.

One of the steps is to increase the capacity of institutions and their supporters. Activities carried out to implement this strategy include the development of Cooperatives, Industry, and MSMEs, namely by:

- Development of GIS-based data systems for MSMEs, fisheries, livestock and agriculture
- Cooperative monitoring
- Development of Mataram City Owned Enterprises

c) Building a financial transaction ecosystem

Economic development is very rapid today. The longer the community needs a system that makes it easier, both in terms of searching for products/services, marketing them, and paying for them. Therefore, the strategy of building a financial transaction ecosystem is realized in the following activities:

1. Online payment
2. Digital economy and e-commerce ecosystem

Mataram City Vision 2016 - 2021 is "Realizing an Advanced, Religious and Cultured Mataram City". To achieve the Vision, the Mataram City Government has set five Missions, namely:

1. Increasing the sense of "SAFETY" of the people of Mataram City, as indicated by a conducive, dynamic and harmonious life based on religious and cultural values.
2. Improving the quality of reliable and religious human resources to encourage regional competitiveness.
3. Empowering the people's economy based on sustainable local potential to increase regional independence.
4. Improving the quality of public services and fulfilling basic community needs based on the principles of good governance.
5. Improving the quality and quantity of urban facilities and infrastructure.

The development and implementation of the Smart City concept in Mataram City aims to realize the vision of an Advanced, Religious, and Cultured Mataram City. This vision has been stated in the 2016-2021 Mataram City Regional Medium-term Development Plan (RMTDP) which is stated in the Mataram Mayor Regulation Number 10 of 2016. This means that the goal of developing Mataram City is to make Mataram City a Smart City.

The purpose of the realization of Mataram Smart City is to make Mataram City smart in the development and management of various resources (natural, human, time, and others) to be used effectively and efficiently by utilizing information technology. Considering that Smart Economy is an inseparable part of the smart city framework, it can be summarized as the relationship between the concept of the smart city of Mataram City which is based on the legal basis of regional planning documents with Smart Culture and Smart Education as pillars reflecting the vision of an independent, advanced and prosperous cultural city with Smart Services as supporters and drivers and communication so that it can maximize public services and support sustainable development.

Smart Economy in Mataram City

Smart Economy has the target of realizing an ecosystem that supports community economic activities that are in line with the region's leading economic sectors that are adaptive to changes in the current information era, as well as increasing community financial literacy through various programs, including realizing a less-cash society.

Smart Economy for Strengthening Local Economy

In order to strengthen the local economy related to the Smart Economy concept in Mataram City, it is necessary to have stages of implementing priority programs in order to achieve the expected goals. Based on selected Smart Economy indicators, this study uses the Analysis Hierarchy Project (AHP) method with several sources who are considered competent in formulating priority scales).

From the results of processing the AHP questionnaire results, recommendations for economic strengthening priorities based on Smart Economy indicators are obtained as stated in the table. In the level 1 category, it appears that programs related to increasing domestic and international connectivity need to be a priority for policy makers (priority vector = 0.34). Meanwhile, programs related to increasing regional productivity and innovation are the next priority programs. The Consistency Ratio value below 10% indicates that the results obtained are still acceptable even though the Consistency Index (CI) is quite low.

Table 1. Level 1 Paired Matrix

	Inovasi	Produktivitas	Konektivitas	Eigen Value	Priority Vector
Inovasi	1.00	0.97	1.06	0.34	0.32
Produktifitas	0.97	1.00	1.14	0.37	0.33
Konektivitas	1.06	1.14	1.00	0.40	0.34
Jumlah	3.03	3.11	3.20	1.12	1.00

CI= 0.004; RI (3)=0.58; CR=0.7%

Meanwhile, if we look deeper into the results of the alternative criteria weighting, it can be seen in Figure 5 below. Increasing the number of tourists is a priority that gets the highest alternative weighting score compared to other alternative criteria. Meanwhile, related to the Productivity aspect, increasing GRDP is the main priority compared to other alternative criteria. Meanwhile, in the Innovation and Entrepreneurship aspect, increasing new business activities is the main priority compared to other alternative criteria.

Figure 5. Category Hierarchy and Smart Economy Alternatives of Mataram City
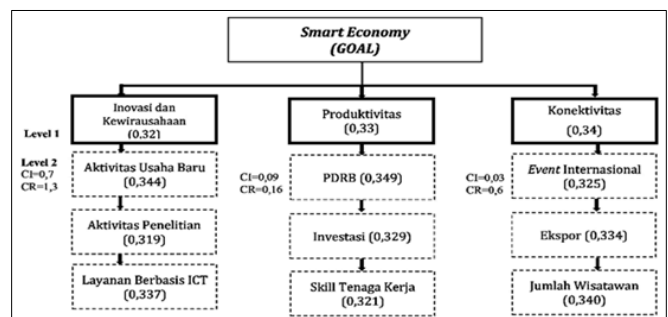
Source: Processed data

In order to sharpen the program priorities in order to strengthen the local economy in Mataram City, this study also uses the SWOT analysis method obtained through Focus Group Discussions and related literature studies which are summarized in the SWOT matrix table below.

Table 2. External-Internal Matrix and Strategy (SWOT Analysis)

Internal Factors / External Factors	Strengths	Weaknesses
	• Strong image as a city of culture and trade • Strategic location as a trade route • SMEs dominate the types of businesses in society • Traditional Market as a center of trade activity	• Income inequality is still high • Public services that are not yet integrated • Dependence on food supplies from other areas • Low regional innovation
Opportunities • Development of the Industry 4.0 era • Development of transportation hub infrastructure in Mataram City • The shift from a commodity-based economy to services	**SO Strategy** • Re-branding the city by optimizing the use of information technology (social media, internet) • Increasing market access for SMEs by improving skills and expertise in • ICT field (e-commerce, e-marketing)	**WO Strategy** • Improving integrated public services through ICT optimization • Development of poverty database and ICT-based monitoring • Development of an integrated food stock management and control system
Threats • A rapidly growing modern market • Changes in people's lifestyles	**ST Strategy** • Enforcement of regulations related to the arrangement of modern markets • Improving traditional market services (cleanliness, parking, comfort)	**WT Strategy** • Increasing access for lower middle class people to the market through optimizing ICT (market place) • Strengthening local culture-based education strategies

Source: Processed data

To study the Smart Economy, it is necessary to conduct a strategic analysis using SWOT analysis, to see the strengths, weaknesses, opportunities and challenges in developing the Smart Economy in Mataram City.

From the SWOT table we can see that Mataram City has several aspects of its strengths, including; Strong image as a city of culture and trade,

Strategic location as a trade route, UMKM that dominates the type of business in the community and Traditional Markets as centers of trade activities. In addition to strengths, there are also weaknesses,

including; high income gap, unintegrated public services, dependence on food supplies from other regions.

The results of data processing from interviews and Focus Group Discussions (FGD) show several opportunities, including; Development of the Industrial 4.0 era. Development of infrastructure, transportation hubs in Mataram City, shifting the economy from commodity-based to services. In addition to opportunities, there are several threats that are expected to be faced by Mataram City, including: Rapidly growing modern markets and changes in people's lifestyles that are changing day by day.

Strategies between strengths and opportunities (SO), among others, Rebranding the city by optimizing the use of information technology (social media, internet), Increasing market access for MSMEs by increasing skills and expertise in the ICT field (e-commerce, e-marketing).

Weaknesses and Threats (WO) Strategy, with, improving integrated public services through ICT optimization, Development of poverty database and ICT-based monitoring, Development of integrated food stock management and control system.

Strengths and Weaknesses (ST) Strategy, including enforcing regulations related to the arrangement of modern markets, improving traditional market services (cleanliness, parking, comfort, etc.).

Weaknesses and threats (WT) strategies include increasing access for lower middle class people to the market through optimizing ICT (market place), strengthening local culture-based education strategies.

Conclusion

1) In order to strengthen the local economy in Mataram City based on Smart Economy which has a dominant trade and service sector in its economic structure as well as a strong image as a cultural city, a strategic location on trade routes, and Micro, Small and Medium Enterprises (MSMEs) that dominate the scale of businesses in the community, it is necessary to have focused and consistent development priorities.

2) The potential as a city of Culture and the dominance of the trade and service sector will provide great benefits to the local economy if domestic, national and international connectivity can be prioritized to be built. The escalation of domestic and international visits will certainly bring a potential multiplier effect to the city of Mataram. Efforts to reduce income inequality will also be facilitated if SMEs and traditional markets get a main place as a link in the trade and service chain.

3) Integrated public services including administrative services will certainly bring positive synergy in developing aspects of domestic and international connectivity. Community education based on local culture also deserves attention in order to anticipate changes in lifestyle that can reduce the strength of Mataram City towards the vision as a cultural, advanced and religious city.

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