

THE ANALYSIS DETERMINANTS INCOME TRADER MARKET CITY OF WATAMPONE BONE REGENCY

¹Muhammad Yusuf Ahmad Gasim, ²Anas Iswanto, ³Hamrullah

¹Economic Resource Program Faculty of Economics and Business, Postgraduate School, Hasanuddin University, Jln perintis Kemerdekaan km. 10, Makassar 20233, Indonesia.

^{2,3}Lecturer of Faculty of Economics and Business, Postgraduate School, Hasanuddin University, Indonesia.

ABSTRACT

Market traders' income is one of the supporting factors in meeting economic needs. This study aims to determine the effect of business capital, length of business, working hours, labor and products on the income of traders in the Palakka market in Watampone city, Bone Regency. This study uses primary data 2018. The sampling method is taken with the Slovin formula with a total sample of 63 respondents. The data collected by researchers include the amount of business capital, the length of time to run a business, working hours in trading, the amount of labor, and the type of product and the income of traders. Data were analyzed using multiple regression analysis methods. Partial Test and Simultaneous Test are used to determine the effect of research variables on income. Results of the study showed that the calculated F value (4.791) > F table (2.24) then the formula of Ho's hypothesis was rejected. Results of the study showed variable business capital with a value of 1,523 < 1,671, for partial testing of business duration variables with a value of -1.127 < 1,671, working hours partially with a value of -0.378 < 1.671, for the partial labor variable testing of 4.317 > 1.671, testing partial variable type of product with a value of 0.202 < 1.671. It was concluded that business capital, business duration, working hours and products did not have a significant effect on market traders' income, while labor had a significant influence on the market traders' income in Watampone City Bone Regency.

Keywords: Income, Venture Capital, Business Experience, Hours of Work, Worker Work, and Product

1.0 INTRODUCTION

Economic growth is a process of changing the economic conditions of a country that is sustainable towards a better state during a certain period. According to Sukirno (2000), economic

growth means the development of activities in the economy which causes the goods and services produced in society to increase and people's prosperity increases. So that economic growth can also be interpreted as a process of increasing the production capacity of an economy which is realized in the form of an increase in national income. Their economic growth is an indication of the success of economic development.

Economic development is basically reflected by the occurrence of new streams that concern the flow of income and benefits to local, regional and even national levels. Development programs have an impact in the form of positive benefits or also a negative impact on the community, especially those who live around the area of economic activity, as recipients of the consequences (impacts) of the development program concerned. Local communities must seek/obtain opportunities so that there are adjustments to changes due to these new circumstances Ahmadi (1995).

The role of small businesses basically takes place in tidal conditions, in rhythm with the development of society and the dynamics of economic development. Where it is guided by the main characteristics of small businesses which include main capital business activities on people's independence, utilizing simple technology, business raw materials mostly utilize local resources, education and the quality of business actors' resources is relatively low, generally carried out by and serving low income groups Sethurman (1991).

According to Hidayat (2000), one of the actors in economic development is a trader in which traders are mostly part of the informal sector even though there are some traders who belong to the formal sector. like traditional market traders. Economic activity from the traditional sector is still an act of buying and selling that continues to survive amidst the current era of globalization competition. One of the economic activities of this traditional sector is the existence of trading activities in traditional markets.

The capital owned is relatively not too large and is divided into the fixed capital in the form of equipment and working capital. These funds are rarely met from official financial institutions, usually from illegal sources of funds or from suppliers that supply merchandise. While the source of funds derived from own savings is very little. This means that only a few of them can set aside the results of their business, due to the low level of profit and the way of managing money. So that the possibility of making capital investments and business expansion is very small Hidayat (1978).

The emergence of modern markets and stores is one indicator of regional success in increasing the capacity of the regional economy. But of course the existence of these modern markets and stores will result in tight competition among existing business actors, so that the regulation must

be in line with existing policies so as not to have a negative impact, especially for existing small business actors, which can reduce the level of Trader's income. in traditional markets.

The presence of modern markets (supermarkets, hypermarkets, mini markets), is considered by various circles to have cornered the existence of traditional markets in urban areas. The study results of the Ministry of Cooperatives and MSMEs with PT Solusi Dinamika Manajemen (2005), show that the presence of modern markets has threatened the existence of traditional markets. The impact of the existence of a modern market on traditional markets is in terms of decreasing sales turnover.

The decline in traditional market performance is actually not entirely due to the presence of a modern market. Almost all traditional markets in Indonesia are still struggling with internal market problems such as poor market management, very minimal market facilities and infrastructure, traditional markets as dairy cows for receipt of retribution, mushrooming street vendors (PKL) that reduce market merchant customers, and lack of assistance capital available to traditional traders. This study aims to determine the factors that influence the income of traders in the Palakka market in Watampone, Bone Regency.

2.0 DATA AND METHODOLOGY

2.1 Location Of The Study

This research is located in Watampone City Market, Bone Regency, namely Palakka market. The scope of this study uses primary and secondary data. Research time for 3 months. The type of research used is descriptive and explanatory research.

2.2 Population And Sample

In this study, the population is all traders in the Palakka market in Watampone City who have kiosks totaling 172 traders. Considering that the population is very large, the determination of samples is done by using Slovin theory, which is taking samples by lottery for all populations, because all the sample has the right to be a member of the sample Arikunto (2010).

The size of the sample in this study was taken using the Slovin formula (Sugiyono, 2013), namely:

$$n = \frac{N}{1 + Ne^2}$$

Information :

n = number of samples
N = number of population
e = Error Tolerance Limit

Based on the Slovin formula, the number of samples in this study can be calculated as follows:

$$n = \frac{172}{(172 \times 0,10^2) + 1} = \frac{172}{2,7} = 63$$

Data collection techniques used in this study include several ways including. The technique used to collect primary data by conducting direct interviews with respondents based on questionnaires that have been prepared in advance and also data collection techniques through surveys where primary data collection is directly in the field by researchers in the form of business unit income data, business capital, length of business, number of workers and types of products sold at the Palakka market in Watampone City.

2.3 Method Of Analysis

Based on the framework of the analysis process carried out with the SPSS program, the formulation is as follows:

$$Y = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \mu t \quad (1)$$

Information :

Y = Revenue of traders in rupiah units
X₁ = Business Capital in units of rupiah
X₂ = Duration of business in years
X₃ = Trader's Working Hours in hours per day
X₄ = Number of Labor in units of people
X₅ = Product in Type unit
 $\beta_1, \beta_2 \dots \beta_5$ = Regression Coefficient
 μt = Error term

Based on the results of the Multiple Linear Regression tests obtained in this study can be made the following equation:

$$Y_1 = 0,194 X_1 - 0,138 X_2 - 0,100 X_3 + 0,494 X_4 + 0,128 D$$

$$Se = (0,080) + (269709.766) + (1797293.083) + (2673990.761) + (14868870.968)$$

$$t\text{-hit} = 1.523 - 1.127 - 0.378 + 4.317 - 0.202$$

$$R^2 = 0,288$$

$$F = 4.791$$

2.4 Research Variable

- 1). Business Capital
Business Capital is all capital when providing merchandise for a period of one month in units of rupiah.
- 2). Length of Business
Length of business is the length of time a trader wrestles his work starting from the initial stage until the time spent on research with a period of one year.
- 3). Working Hours
Working hours are the length of time in the market to sell merchandise per month using hours.
- 4). Product Type
A product sold in a traditional market in the city of Watampone, which is used is the type of product sold in a kiosk with other kiosks.
- 5). Number of Workers
A large number of workers and employees who are directly involved in the trade process. In this study, the unit used to measure labor variables is a unit of people.
- 6). Traders
Everyone who offers goods and services to buyers, and also places to sell such as kiosks that provide goods included in the food category (vegetables, meatballs, basic necessities, etc.), clothing (clothes, pants, bags, etc.) and others (Carpet, Electronics, Cosmetics etc.)
- 7). Income
Revenue starting here is dirty with traders per month with rupiah units that can generate operational and labor costs.

3.0 RESULTS AND DISCUSSIONS

3.1 Characteristics Of Respondents

Palakka Market Traders who have venture capital above IDR 50,000,000, namely 4 respondents at 6.3 percent. While the business capital of the Palakka Market traders who have the lowest business capital is Rp. 1,000,000 to Rp. 20,000,000, which is 47.6 percent. This reflects the traders of Palakka Market as part of small and medium micro enterprises with a limited amount

of business capital, which is on average Rp. 37,000,000.

Pasar Palakka traders with a business duration of more than 10 years are the highest respondents at 65 percent. This can indicate that traders in the Palakka market in Watampone city consist of traders who have long trading experience, while the lowest length of business with a business duration of over 20 years is 8%. About age characteristics of traders in Pasar Palakka obtained information that the average age of traders in Palakka Market was in the productive age, namely the age group 19 to 80 years with a total of 62 traders or 98.4 percent which is the age to work to earn income. The age of traders 31-40 years is the age group that most trades in the Palakka market in Watampone city with a percentage of the age of 35% which shows that the age is included in the productive age for work, while the lowest is at 80 years old which is only one trader.

3.2 Results and Discussion

3.2.1 Result

Table 3.2.1: Regression Analysis Results

Variable	Coefficient	t – Statistic	Probability
Constant	0.960	0.660	0.512
Modal Usaha (x1)	0.194	1.523	0.133
Lama Usaha (x2)	-0.138	-1.127	0.264
Jam Kerja (x3)	-0.100	-0.378	0.707
Tenaga Kerja (x4)	0.494	4.317	0.000
Produk (x5)	0.128	0.202	0.841
$\alpha = 5 \%$; $R^2 y = 0,288$; F Hitung = 4.791; N = 63			

Note: Test Results Using the SPSS Program

Business Capital to Income

The relationship of business capital (X) to income (Y) shows insignificant influence because the increase in business capital owned by traders must adjust to the number of consumers who will

visit Palakka's market location which is located far from the crowd.

Business Length of Income

The relationship of business duration (X) to income (Y) shows insignificant influence because with the skills possessed by the trader even though in theory it will have a good impact on the income of traders but with different market situations where consumer needs are not in line with the distance of market location palakka is far away, whereas with the modern market that has been present in the midst of society, makes traders unable to compete.

Working Hours on Income

The relationship of working hours (X) to income (Y) shows no significant influence because with the increase of time selling a trader without being accompanied by an increase in sales, it will only add to the cost of selling activities. The Competition that occurs with the mushrooming of modern markets in the middle of the city makes traditional markets eroded, as is the modern market that has a strategic location, diversity of goods, low prices of goods, wide sales area.

Labor against income

The relationship of labor (X) to income (Y) shows a positive and significant influence with a coefficient of 0.494, meaning that when the workforce increases by 1 person, it will have an effect on increasing income by 0.494 percent.

Products to Income

The relationship of product type (X) to income (Y) shows an insignificant influence because by providing a type of product that is not in accordance with the needs of consumers and with unreachable prices makes losses to traders in terms of business capital that does not move and has an impact on decreasing merchant income.

3.2.2 DISCUSSION

Additional merchant capital is needed to increase sales by increasing the variety and volume of products so that sales can be increased by meeting the needs of buyers. But Traders have difficulties in obtaining capital loans because construction is needed, while some traders cannot afford to meet these requirements. From the available loan, capital does not meet the needs of traders, because the loan capital given is very small in accordance with the construction owned by the trader, the greater the value of the building owned by the trader, the greater the loan capital provided.

Because most of the capital comes from their own capital and also from bank loans, with the hope that the capital used is able to generate profits for the traders, but with the condition of the palakka market distance away from the city, the profit opportunities expected by traders will decrease. Along with the obligation of the trader to return the loan from the bank that must be fulfilled and the burden of the operational costs that must be met, the ability of the capital owned by the trader does not have a significant effect on the income of the trader. So it is expected for traders to make decisions in addition to capital accompanied by an increase in good promotional strategies by offering quality products and in accordance with the needs of consumers to increase sales in order to get more profits.

Under these conditions, making the market that makes the opportunity for traders to market their merchandise will not achieve its objectives, as developments in business competition make consumers' needs constantly changing. As stated by Setiadi N., (2003), that changes in consumer lifestyles in the behavior of buying retail goods are influenced by the ease and quality assurance of modern markets.

Moreover, traditional market consumers who tend to the lower class are very concerned about price differences, moreover, the modern market is able to offer price innovations such as large discounts. We have known that many traditional market consumers have left the market and turned to modern markets.

If this condition is not taken seriously by the government, it can be expected that there will be an imbalance between traditional markets and modern markets which will have implications for traders in traditional markets, the majority of which are among the lower classes. Besides that, it also needs concrete action from traders in fixing these weaknesses and cooperating with the government in implementing government programs regarding traditional market regulation. Traders' carefulness in providing the types of products needed by the people of Bone Regency is highly emphasized because the preferences of buyers are very diverse but appropriately the target in providing merchandise is able to increase merchant income.

4.0 CONCLUSIONS AND RECOMMENDATIONS

4.1 Conclusions

- 1). Labor income is positive for the income of the Palakka Market in Watampone City. While the variables of business capital, length of business, working hours and type of product do not affect the income of the Palakka Market in Watampone City.
- 2). Business capital, length of business, working hours, labor and labor simultaneously have

a significant effect on the income of the Palakka Market in Watampone City.

- 3). Labor variables are the dominant factors because they have Beta coefficients with the main variables, working hours, length of business and types of products that affect the income of the Palakka Market in Watampone City.

4.2 RECOMMENDATIONS

In connection with the business capital carried out by traders in Palakka Market, Watampone City requires capital management arrangements, because traders' capital is mostly sourced from their own capital, so there is a separation of income from trading with family income so that the business is sustainable. To overcome the problem of business capital, participation is needed from the community, government and third parties, in this case, banks and other microfinance institutions to provide business capital assistance with soft loans and without collateral to traders, Palakka Market, Watampone City. about excellent service and besides that it is expected to expand the business relationship of the traders themselves. In relation to working hours and products, traders should provide the types of products needed by the bone regency community so that they are able to meet consumer needs appropriately.

Relating to business capital variables, business duration, working hours, labor and products simultaneously have a positive effect on the income of traders, because it is a variable that generally affects the income of traders, by including and paying attention to these variables will be able to improve the quality standards of supply from merchants.

Labor variables which are the highest variables in this study make income increase, because with the ease of service provided to consumers will affect consumer preferences in choosing a place to shop. So that by maintaining or improving the quality of the workforce in providing services by providing training will have an impact on the merchant's income which will increase.

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