
Effect of Environment Capital and Length of Business on Income of Traditional Traders in Berastagi Fruit Market Environment

Jessi Charina Sembiring*

*Universitas Prima, Indonesia

Corresponding Email: [*jsembiring446@yahoo.com](mailto:jsembiring446@yahoo.com)

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Abstract: The development of the central and regional economies depends on the economic activities of the community. The economy is formed from several business sectors, both formal and informal sectors with the aim of getting a decent income to meet the needs of life and to prosper their family members. The purpose of this research is to know and analyze effect of environment capital and length of business on income of traditional traders in Berastagi Fruit Market environment. The scope of this research is traditional traders in Berastagi Fruit Market environment. The variables studied are environment capital and length of business which are independent variables and income of traditional traders as dependent variable. The population in this study were traditional traders in the Berastagi Fruit Market environment. Traders data taken in this research population are 270 traditional traders in the Berastagi Fruit Market environment. The number of samples in the study was 161 respondents. The test results in this study using multiple regression analysis test. The test used is the partial test (t). The results show that environment capital has a positive and significant effect on income of traditional traders in Berastagi Fruit Market environment. Length of business has a positive and insignificant effect on income of traditional traders in Berastagi Fruit Market environment.

Keywords: *Environment Capital, Length of Business, Income*

1. INTRODUCTION

The development of the central and regional economies depends on the economic activities of the community. The economy is formed from several business sectors, both formal and informal sectors with the aim of getting a decent income to meet the needs of life and to prosper their family members.



Everyone tries in this case to work, nothing but expects income, the higher a person's income, the higher the level of welfare of his family members and the more needs and desires can be achieved. Thus, members of today's society are competing in increasing their income level. Therefore, people are trying their best to fulfill their needs and desires. In achieving these needs and desires, various efforts are carried out, such as working in the government sector, private companies, construction workers, farming, trading and other businesses.

Small businesses in a country's economy have an important and strategic role in the development of the national economic structure. The position of small businesses in the field of economic development is none other than a group of actors who together with large businesses drive the wheels of a country's economy. Small businesses are usually in the form of informal and traditional businesses, these businesses include smallholders, home industries, hawkers, traveling traders, scavengers and street vendors and various other businesses.

Merchants have a place where they can trade their wares which is called the Market. The market is an area where the sale and purchase of goods with the number of sellers more than one good which is called a shopping center, traditional market, shops, malls, plazas, trade centers or other designations. Traditional markets are markets in the form of places of business in the form of shops, kiosks, stalls, and tents owned/managed by small, medium-sized traders, cooperatives with small-scale businesses, small capital and through the process of buying and selling merchandise by bargaining.

Karo Regency is an area with a fairly wide agricultural potential and a very large number of results so that the main livelihood of the population is agriculture. In addition, Karo Regency is one of the main tourist destinations in North Sumatra Province which has no less interesting potential than other tourist destinations in Indonesia. Karo Regency tourism is already well known to the Indonesian people and even to foreign people, but has not been used optimally. Karo Regency has many tourism objects that can be visited such as nature tourism, agrotourism, arts and culture tourism, historical heritage tourism and so on which contribute to the gross regional domestic product of Karo Regency.

One strategy for the integration of tourism and agriculture development in order to increase the role of Micro, Small and Medium Enterprises and the people's economy is the development of traditional market trading businesses, especially the Berastagi fruit market environment. The trade sector today is concentrated on the Berastagi fruit market environment. The Berastagi Fruit Market environment is a marketing target for products produced from the agricultural sector.

The development of the tourism sector in a country will attract other sectors to develop as well because its products are needed to support the tourism industry, such as agriculture, trade, livestock, plantations, folk crafts, increasing job opportunities and so on. In Indonesia, tourism is the third foreign exchange earner after oil and textiles.

The high economic growth of a region does not necessarily guarantee high prosperity for its people, if it is followed by a high population growth rate. High prosperity is more reflected in the growth rate of per capita income, because when



viewed from the consumption point of view, it means that people will have the opportunity to enjoy goods and services in larger quantities or of higher quality.

Berastagi fruit market environment is one indicator of tourist destinations in Karo Regency. If the Berastagi fruit market environment is visited by many tourists, the level of tourist arrivals visiting North Sumatra is certain to also increase. This has an impact on increasing income for Berastagi fruit market environment traders from the tourism sector and economic turnover from the trade sector in Karo Regency.

Capital is a very important thing in doing business, including trading. Capital is all forms of wealth that can be used directly or indirectly in the production process to increase output. Capital for trading can be sourced from internal traders and other sources other than traders, either in the form of loans from banks and non-bank institutions. Based on the results of interviews with several traders at Berastagi Fruit Market environment, many complained that it was difficult to get capital, to get a capital loan, they had to submit collateral as collateral for the loan.

Length of business also affects the income of traders. The longer the business is established, the higher the income of traders. This is because in general, businesses that have been around for a long time are able to take more mature policies based on existing experience. This can certainly increase the income of market traders.

The purpose of this research is to know and analyze effect of environment capital and length of business on income of traditional traders in Berastagi Fruit Market environment.

Literature review

Income

Income in economics is defined as the result in the form of money or other material things achieved from the use of wealth or free human services. Meanwhile, household income is the total income of each member of the household in the form of money or natural which is obtained either as a salary or wages for household businesses or other sources. A person's condition can be measured using the concept of income which shows the total amount of money received by a person or household during a certain period of time (Samuelson and Nordhaus, 2002).

In an economic sense, income is a reward for the use of production factors owned by the household sector and the company sector which can be in the form of salaries/wages, rent, interest and profits (Sukirno, 2000).

Environment Capital

According to Sawir (2001) environment capital is the total current assets owned by the company or it can also mean the funds that must be available to finance the company's operations. Because capital is very supportive in the smooth running of the company's activities, for example the production department needs raw materials, then they must first buy these materials or the marketing department will carry out promotional activities to introduce the goods or services they offer to consumers or the personnel department needs new employees, to This is done by recruiting new



employees. Meanwhile, Riyanto (2002) argues that capital is a concrete item in the household of a company that is found on the debit balance as well as the purchasing power or exchange rate found in between credits.

Length of Business

In running a business, the length of business plays an important role in the process of conducting a trading business. The length of a business can lead to a business experience, where experience can affect a person's observations of behavior (Asmie, 2008). The duration of opening a business can affect the level of income, the length of time a business actor has been in his line of business will affect his productivity so that it can increase efficiency and reduce production costs which are smaller than sales (Firdausa, 2013).

2. RESEARCH METHODS

Scope can be interpreted more specifically on certain materials or things (Pandiangan, 2015; Asyraini et al., 2022; Octiva et al., 2018). In a research, the scope can mean the limitation of the variables used, how many subjects will be studied, the area of the research location, the material being studied, and so on (Pandiangan, 2018; Octiva et al., 2021; Pandia et al., 2018). The scope of this research is traditional traders in Berastagi Fruit Market environment. The variables studied are environment capital and length of business which are independent variables and income of traditional traders in Berastagi Fruit Market environment as the dependent variable.

Population is the total number of objects under study (Pandiangan et al., 2018). The sample is part of the number and characteristics possessed by the population (Pandiangan et al., 2021; Pandiangan et al., 2022). The population in this study were traditional traders in the Berastagi Fruit Market environment. Traders data taken in this research population are 270 traditional traders in the Berastagi Fruit Market environment. The sampling technique used was simple random sampling. Simple random sampling is a technique of taking samples from members of the population at random without regard to the existing strata in the population (Pandiangan, 2022). From the formula above, the number of samples in the study was 161 respondents. The respondents studied were traditional traders in the Berastagi Fruit Market environment.

The test results in this study using multiple regression analysis test. This multiple regression analysis aims to measure the strength of the influence between two or more variables. In addition, the results of this regression analysis indicate the direction of influence between the dependent variable and the independent variable. Regression analysis is basically a study of the dependence of the dependent variable (bound) with one or more independent variables (explanatory/independent variables), with the aim of estimating and/or predicting the population mean or the average value of the dependent variable based on the value of the independent variable known (Tobing et al., 2018). The test used is the partial test (t).



3. RESULT

Overview of Research Sites

The Karo are an indigenous tribe who inhabit the Karo Highlands, Deli Serdang Regency, Binjai City, Langkat Regency, Dairi Regency, Medan City, and Southeast Aceh Regency. The name of this tribe is used as one of the names of the districts in one of the areas they inhabit (the Karo highlands), namely Karo Regency. This tribe has its own language called Karo. Most of the Karo people do not want to be called Batak people because they feel different. The Karo tribe has its own name for the Batak people, namely Kalak Teba.

From some literature that the author got about karo, the origin of the word Karo comes from the word Haru. The word Haru comes from the name of the Haru kingdom which stood around the 14th to 15th centuries in the North Sumatra area. Then the pronunciation of the word Haru changed to Karo. This is thought to be the beginning of the formation of the name Karo. In the golden age of the Haru/Karo Kingdom's power from Aceh Besar to the Siak river in Riau. The existence of Haru/Karo in Aceh can be confirmed by several villages there which come from the Karo language. For example, Kuta Raja or Banda Aceh now, Kuta Binjei in East Aceh, Kuta Karang, Kuta Alam, Kuta Lubok, Kuta Laksamana Mahmud, Kuta Cane, and others. And there is a karo tribe in Aceh Besar which in Acehnese dialect is called Karee.

Berastagi Fruit Tax was established in 1970 when its name was still Tarum Ijuk Tax. The name was taken from the shape of the roof that was in the tax which at that time was made of fibers that were tied and collected so that it could become a roof and protect the people under it. While the inauguration of this place was carried out fourteen years later, namely on 18 May 1984 by the Regent of Karo at that time Drs. Rukun Sembiring.

The word "tax" is a typical term for the Karo people to describe the market. The building which has an area of five thousand square meters is always crowded with tourists both from within and outside the country. Before becoming the Berastagi Fruit Tax or when the name was still Tarum Ijuk Tax, this tax did not have a wide enough place like it is today. According to the information from the informant that the author got, the location of the Tarum Ijuk Tax at that time was at the fuel oil refueling point which is now located next to the Berastagi Fruit Tax.

The situation of Berastagi Fruit Tax is quite popular and visited by tourists, both from within the country and from abroad. This tax is located in a strategic location because it is located at four intersections that can be passed by various types of public transportation from various areas in the city and villages adjacent to Berastagi, such as Kabanjahe city, Merdeka village, Jumaraja village, Tongkeh village, and others. The distance from Kabanjahe to Berastagi is ten kilometers, the distance from Jumaraja village to Berastagi is about three kilometers, and the distance from Tongkeh village to Berastagi is two kilometers. While the other is the road to Medan City from the intersection that is there or to be precise at the Berastagi Struggle Monument which can be taken as far as sixty kilometers.



Berastagi Fruit Market environment consists of 2 Losds, namely Class III and Class IV Losds, where the definition of Losd is a permanent building within the market environment in the form of an elongated building without walls. Losd Class III is used as a place to market cloth, grocery items and the like. Meanwhile, Class IV Losd is used as a retail market for rice, vegetables, fruits and flowers. The number of traders who occupy the Berastagi fruit market environment is as many as 270 traders. With details, 151 traders occupy Losd III and 119 traders occupy Losd Class IV.

Facilities and infrastructure that support sales at Berastagi Fruit Tax are:

1. There are facilities for selling in the form of stalls totaling 270 units, of which 180 units of kiosks measuring 3 x 3 meters and losd or bale-bale totaling 90 units (84 units measuring 2 x 2 meters & 6 units measuring 2 x 3 meters).
2. There is a means of lighting street lights to support the activities that are there until the evening. This is necessary so that at night all activities that take place there get an adequate supply of light.
3. There is a janitor from the local cleaning service who is on duty every day. The traders there will also be charged a cleaning fee of Rp10,000 per week.
4. Parking area that is quite free for visitors who bring their vehicles, both two-wheeled and four-wheeled. This parking location is placed on the side of the road around the Berastagi Fruit Tax. For visitors who bring a car, the parking fee is Rp4,000.00 for one-time parking, while for visitors who bring motorbikes, parking fees are Rp2,000.00 for one-time parking.
6. There are four public bathroom or toilet facilities, very important for places that are always crowded, such as the Berastagi Fruit Tax.

Partial Test (t) Results

Table 1. Partial Test (t) Results

Variable	Coefficient	Prob. t	Information
Environment Capital (X_1)	0.2620	0.0000	Significant
Length of Business (X_2)	0.6526	0.2921	Insignificant

Income (Y)

Source: Data Processing Results

The results show that environment capital has a positive and significant effect on income of traditional traders in Berastagi Fruit Market environment. Length of business has a positive and insignificant effect on income of traditional traders in Berastagi Fruit Market environment.

4. CONCLUSION AND SUGGESTION



The results show that environment capital has a positive and significant effect on income of traditional traders in Berastagi Fruit Market environment. Length of business has a positive and insignificant effect on income of traditional traders in Berastagi Fruit Market environment.

Based on the results that have been described, some suggestions can be made as follows:

1.Regarding the business capital carried out by the Berastagi Fruit Market environment traders, it is necessary to regulate capital management, because most of the traders' capital comes from their own capital so it is necessary to separate income from trading with family income so that the business is sustainable. To overcome the problem of environment capital, the participation of the community, government and third parties, in this case banks and other microfinance institutions, is needed to provide business capital assistance with soft loans and without collateral to Berastagi Fruit Market traders environment.

2.Regarding the length of business of the Berastagi Fruit Market environment traders, a training is needed for traders about excellent service, so that tourists will remain satisfied and do not turn to the modern souvenir market. Traders are required to have a strategy in producing goods, a strategy in promoting goods, to a strategy for packaging the goods to be sold so that they are more attractive. In addition, the training is expected to increase business relations to develop the Berastagi Fruit Market environment business network.

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