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**IDENTIFICATION OF POTENTIAL AND DEVELOPMENT OF MEDIUM
SMALL-MEDIUM ENTERPRISES (UMKM) IN CELAWAN VILLAGE,
BEACH MIRROR DISTRICT, SERDANG DISTRICT
NORTH SUMATERA PROVINCE**

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Abstract

Micro, Small and Medium Enterprises (MSMEs) have a strategic role in national economic development. MSMEs play a role in economic growth and employment as well as in the distribution of development results. The objectives of the study are: (1) To identify the potential of the area in Celawan Village, Pantai Cermin District, Serdang Bedagai Regency, North Sumatra Province, and (2) Formulate the MSME strategy and development program in Celawan Village. Data collection techniques used are using in-depth interviews, observation, and documentation study. The method used is a qualitative research method with a descriptive approach. The benefit of this idea is expected to be able to help the community, government, researchers and academics in planning the latest programs that contribute greatly to the State. Therefore, Micro, Small and Medium Enterprises (MSMEs) have an important role in the local local economy in driving economic activity to the international level. In the framework of implementing, planning, empowering, and developing Micro, Small and Medium Enterprises (MSMEs) regulations from the government that are needed to provide opportunities for developing MSMEs in rural areas including improvement of facilities and infrastructure, banking access, human resource development, Business Network Development, Marketing and Business Partnership and better economic climate improvement to support the existence of the community facing economic competition in the midst of global markets.

Keywords: UMKM, Potential, Village

1. INTRODUCTION

In identifying the potential and development of micro, small and medium enterprises (MSMEs) in Celawan Village, Pantai Cermin District,

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Serdang Bedagai Regency, North Sumatra Province aims to grow and develop its business in the context of building a national economy based on equitable economic democracy as Law of the Republic of Indonesia number 20 of 2008 on 4 July 2008.

According to Rudjito, the understanding of MSME is a business that has an important role in the Indonesian economy, both in terms of employment created and in terms of the number of businesses.

Understanding of Micro, Small and Medium Enterprises (MSMEs) According to Ina Primiana is the development of four main economic activities that are the driving force of Indonesia's development, namely;

1. Manufacturing industry
2. Agribusiness
3. Marine business
4. Human resources

Celawan Village Pantai Cermin District Serdang Bedagai Regency, North Sumatra Province, has a diversity of natural potentials including agriculture, fisheries, plantation, nature tourism potential and cultural tourism potential accompanied by the hospitality of its people making Celawan Village as a research destination in Celawan Village, Pantai Cermin District, Serdang Bedagai Regency North Sumatra Province.

It is from this description and background and facts that the research team is interested in knowing and discussing "**Identification of the Potential and Development of Micro, Small and Medium Enterprises (MSMEs) in Celawan Village, Pantai Cermin District, Serdang Bedagai Regency, North Sumatra Province.**"

II. THEORY STUDY

Definition of Micro, Small and Medium Enterprises

According to the Law of the Republic of Indonesia number 20 of 2008 concerning micro, small and medium enterprises, the aim is to grow and develop their businesses in the context of building a national economy based on a just economic democracy. With the following understanding:

- a. Micro Business is productive business owned by individuals and / or individual business entities that meet the criteria for Micro Business as regulated in this Law;
- b. Small Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not

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subsidiaries or non-branch companies that are owned, controlled, or become a part either directly or indirectly of Medium Enterprises or Large Enterprises that meet the Business criteria Small as referred to in this Act;

- c. Medium Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or branch companies that are owned, controlled, or become a part either directly or indirectly with a Small or Large Business with a net worth or annual sales proceeds as regulated in this Law;
- d. Big Business is productive economic business carried out by business entities with net assets or annual sales results greater than Medium Enterprises, which include state-owned or private national businesses, joint ventures, and foreign businesses that carry out economic activities in Indonesia;
- e. The Business World is a Micro Business, Small Business, Medium Business, and Large Business that carries out economic activities in Indonesia and is domiciled in Indonesia. Send feedback History Saved Community.

The Role of Micro, Small and Medium Enterprises (MSMEs)

According to the Ministry of Cooperatives and SMEs (2005) the role of MSMEs in the Indonesian economy can be seen from:

- a. His position as a major player in economic activity in various sectors.
- b. Provision of employment opportunities.
- c. Important player in local economic development and community development.
- d. Market creation and innovation through flexibility over dynamic linkages between company activities.
- e. Its contribution in maintaining the balance of payments through export activities and contributing to the increase in non-oil exports.

Benefits of SMEs in the Village for the National Economy

The benefits of UMKM for MSMEs themselves include: financial freedom, having the ability to control themselves, make changes in life and explore their potential, self-service and get recognition for business, resilient, more focused on consumers, easy to adapt, become a mobilizer an innovative and flexible community economy.

The aim of the MSME Development Program is to serve the development of entrepreneurial skills and the ability to run small and medium-sized businesses. The program trains participants to: apply their entrepreneurial skills, identify and select viable business projects or expand existing businesses, and carefully prepare business planning proposals for presentation to financial institutions.

Characteristics of Micro, Small and Medium Enterprises (MSMEs)

Characteristics of MSMEs are the factual nature or conditions inherent in business activities and the behavior of the entrepreneur concerned in conducting his business. This characteristic is the distinguishing characteristic of business actors according to the scale of business. According to Rahmana (2009: 12) in the perspective of business development, MSMEs are classified into four groups, namely:

1. Livelihood Activities, which are Small and Medium Enterprises (SMEs) that are used as job opportunities to earn a living, more commonly known as the informal sector. An example is a street vendor.
2. Micro Enterprise, is a UKM that has the nature of a craftsman but does not yet have an entrepreneurial nature.
3. Small Dynamic Enterprise, is an SME that already has an entrepreneurial spirit and is able to accept subcontracting and export jobs.
4. Fast Moving Enterprise, is a UKM that has an entrepreneurial spirit and will transform into Big Business (UB).

Table 2. Characteristics of MSMEs and Large Enterprises

| Business Size | Characteristics |
|----------------------|---|
| Micro Business (UM) | <ul style="list-style-type: none">• Types of goods or commodities are not always fixed, at any time can be changed.• The place of business is not always settled, at any time can move place.• Not yet done a simple financial administration.• Does not separate family finances from business finances.• Human resources (entrepreneurs) do not have sufficient entrepreneurial spirit.• The average level of education is relatively low.• Generally there is no access to banks, but some have access to non-bank financial institutions. |

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| | |
|----------------------|---|
| | <ul style="list-style-type: none"> • Generally do not have business licenses for other legality requirements including NPWP. |
| Small Business (UK) | <ul style="list-style-type: none"> • The types of goods or commodities undertaken are generally fixed, not easy to change. • The location or place of business is generally already settled and does not move. • In general, financial administration has been carried out although it is still simple. • Corporate finance has begun to be separated from family finances. Already made a business balance. • Already have a business license and other legality requirements including NPWP. • Some have access to banking for capital purposes. • Most have not been able to make good business management such as business planning. |
| Medium Business (UM) | <ul style="list-style-type: none"> • Have a better management and organization, with a clear division of tasks, among others, the finance department, the marketing department and the production department. • Has conducted financial management by implementing an accounting system on a regular basis so that it is easy for auditing and assessment or inspection including by banking. • Has conducted labor regulations or management and organization. • Already have legality requirements including neighboring permits. • Already have access to banking funding sources. • Generally have trained and educated human resources. |
| Big Business (UB) | <p>Productive economic ventures carried out by business entities with net assets or annual sales results greater than Medium Enterprises, which include state-owned or private national businesses, joint ventures, and foreign businesses that carry out economic activities in Indonesia.</p> |

Source: Bank Indonesia 2015 (data processed 2018)

In addition, based on aspects of the commodity produced, MSMEs also have their own characteristics (Bank Indonesia, 2015: 15), including:

1. The quality is not standard yet, because most MSMEs do not yet have adequate technological capabilities. The products produced are usually in the form of handmade so the quality standards vary.
2. Product design is limited, this is triggered by limited knowledge and experience regarding the product.
3. Types of products are limited, usually MSMEs only produce a few types of products.
4. Product capacity and price list are limited, MSMEs have difficulty determining product capacity and prices making it difficult for consumers.
5. Raw materials are less standard, because the raw materials are obtained from various different sources.

Managing Micro, Small and Medium Enterprises (MSMEs)

Three aspects that need to be considered in managing MSMEs according to Pranata (2013), namely:

1. Financial Management Aspects
2. HR Management Aspects
3. Operational Management Aspects
 - a. Micro management is only handled by itself with simple techniques. Micro businesses are classified as household production businesses. Because the operational management is done in the house.
 - b. Small, the management is also handled in a simple but a little more complex than micro. Management of small business operations is basically almost the same as micro businesses, but the difference lies in the larger scale.
 - c. Secondary, usually already familiar with the organizational system that facilitates the division of operational tasks, although still quite simple.

Government Policies in Supporting Micro, Small and Medium Enterprises (MSMEs)

Regulation of the Minister of State KUMKM Republic of Indonesia Number: 02 / Per / M.KUMKM / I / 2008 confirmed that the government has the duty:

1. Creating a climate, developing a climate and conditions that encourage cooperative growth and socialization.
2. Providing guidance and convenience to cooperatives.
3. Provide protection to cooperatives. The development of cooperatives is carried out with due regard to the conditions and interests of the national economy, as well as equal distribution of business opportunities and employment opportunities.

Business Profile of Agriculture Sector UMKM

General Description of Agriculture Sector Business

Agriculture is the activity of utilizing biological resources carried out by humans to produce food, industrial raw materials, or energy sources as well as to manage the environment. Farming is a core part of agriculture which involves a set of activities carried out in agricultural cultivation. The main difference between food crops and horticulture in agriculture with other sub-sectors is food crops and horticulture related to food crop cultivation while other sub-sectors such as fisheries are related to aquaculture and animal husbandry related to livestock raising.

Important things to consider in the Agriculture Sector

1. Price certainty, including base price policy set by the Government, market price or price based on the purchase contract;
2. Land ownership includes own property or leased land;
3. Selection and availability of superior seeds (certain standards / certified);
4. Cultivation patterns developed include intensive, semi-intensive, organic, non-organic. Including compliance with Good Agriculture Practices (among others: processing land selection / seedling, fertilizing pests / diseases);
5. The right way and time of harvest.
 - a. A good harvest method will reduce yield losses quantitatively, depending on the social culture;
 - b. The exact time of harvest will determine the quality of production, depending on variety, climate, and altitude.
6. Post-harvest handling that meets Good Handling Practices (including: drying, grading product quality, packing and transporting);

7. Sustainability of production, especially for commodities that are already bound by a contract with the buyer;
8. Existing markets, for example directly to consumers, through collectors / collectors or supplier / manufacturer contracts.

Agriculture Sector Business Value Chain

The agricultural business value chain includes initial inputs for initial capital, land acquisition, seedling purchases and equipment investment. After that the business process will continue with the process of cultivation or planting and care of agricultural crops. The business cycle of agricultural products for each type of agricultural crop is very different so that the cash flow of each type of crop has a different time cycle, and some agricultural products also depend on the growing season so that in the financing process, banks need to pay attention to this cycle . The agricultural business value chain as seen in the picture as follows:

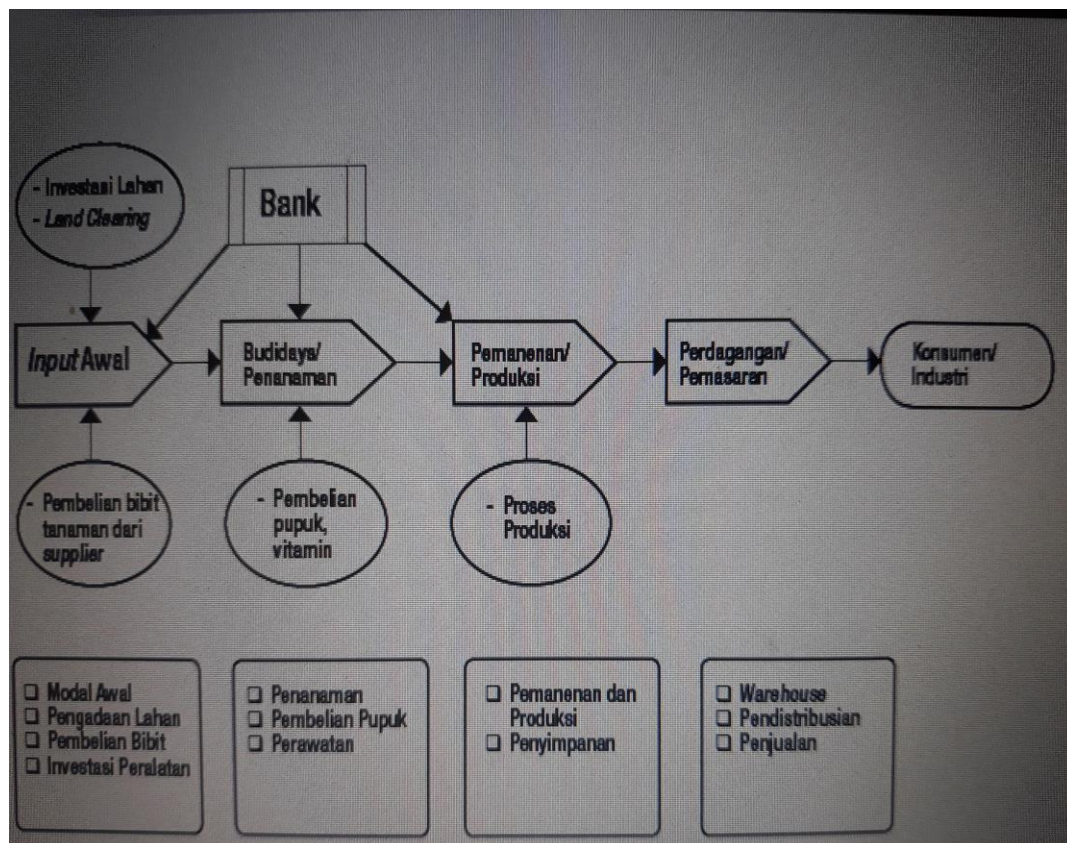


Figure 2.1. Agriculture Sector Business Value Chain Obstacles to Micro, Small and Medium Enterprises (MSMEs)

The problems of MSMEs in Celawan Village, Pantai Cermin District, Serdang Bedagai Regency, North Sumatra Province in general from the field observations are as follows:

1. Problems of UMKM Internal Factors;

Various internal problems are still a burden for the growth and development of SMEs in Celawan Village, Pantai Cermin District, Serdang Bedagai Regency, North Sumatra Province, which includes:

- a. Lack of capital;
- b. Limited Human Resources (HR);
- c. Weak Business Network and Market Penetration;

2. Problems with External Factors

Various external factors are still the main problems faced by most MSMEs in Celawan Village, Pantai Cermin District, Serdang Bedagai Regency, North Sumatra Province to date, including:

- a. The Business Climate Is Still Not Completely Conducive;
- b. Problems of Limited Facilities and Business Infrastructure;
- c. Implications for Regional Autonomy;
- d. Implications of a Free Trade System;
- e. The Nature of Products With Short Life Time;
- f. Limited Market Access.

III. RESEARCH METHOD

Types of Research

Descriptive research is a problem statement regarding the question of the existence of an independent variable, whether only on one or more variables (the independent variable is a stand-alone variable, not an independent variable, because if the independent variable is always paired with the dependent variable). So in this study the research team did not make comparisons of these variables in other samples, and looked for the relationship of variables with other variables. (Sugiyono, 2010: 53-54)

Descriptive method is a method used to describe or analyze a research result but is not used to make broader conclusions.

The type of research used is descriptive because it only describes MSMEs, especially in Celawan Village, Pantai Cermin District, Serdang Bedagai Regency, North Sumatra Province, to the community according to Law of the Republic of Indonesia number 20 of 2008 concerning micro, small and medium businesses that aim to grow and develop their business

in the context of building a national economy based on a just economic democracy.

Research Location

This research was conducted in Celawan Village, Pantai Cermin District, Serdang Bedagai Regency, North Sumatra Province.

Research Models

This research uses qualitative research methods. A qualitative approach is expected to be able to produce in-depth descriptions of specific words, writings, and / or organizations in a particular context setting which is studied from a holistic, comprehensive and holistic perspective. In selecting qualitative research samples, the sample data source was chosen purposively and is snowball sampling. The determination of the sample data source, the proposal is still temporary, and will develop after researchers in the field.

Data Collection Techniques

Data collection techniques in this study were carried out through interviews, observations, and documentation studies. among others are :

- a. Interviews (interviews), conducted directly to those who are entitled and authorized to provide information or data in connection with research in the area of Celawan Village, Pantai Cermin District, Serdang Bedagai Regency, North Sumatra Province.
- b. The method of observation is to conduct direct observations in the field to find out the internal and external situations of MSMEs and the problems encountered.
- c. The documentation study was conducted by collecting and studying supporting data in the form of documents in Celawan Village, Pantai Cermin District, Serdang Bedagai Regency, North Sumatra Province, and also from internet sites and journals related to this research.

Data Analysis Techniques

In data analysis, the research team is involved in such a way that conclusions and decisions can be formulated properly and correctly. Data analysis is a process of view or discription and preparation of interview transcripts and other material that has been collected. This means that the research team can perfect understanding of the data and then present it to

others more clearly about what has been discovered or obtained from the field.

According to Sugiyono (2013: 147) "Descriptive method is a method used to analyze data that has been collected as it is without intending to make conclusions that apply to the public or generalization".

IV. RESULTS AND DISCUSSION

Identification of the Potential of Celawan Village

Pantai Cermin District is divided into several villages, namely: Ujung Rambung, Celawan, Besar II Falls, Temporary, Ara Payung, Pematang Kasih, Naga Kisar, Lubuk Saban, Kuala Lama, Cermin Kiri Beach, Cermin Kanan Beach, and Pari City.

The basis of the selection of Celawan Village is because Celawan Village is the village that has the most extensive area (19.66 km²) out of 12 villages in Pantai Cermin District.

Celawan Village is one of the villages in Pantai Cermin District, Serdang Bedagai District and has an area of 19.66 km² with 1,566 households with a total of 6,744 residents (BPS, 2019), the majority of whom work as farmers and ranchers.

Based on interviews with MSME owners in Celawan Village, access to marketing products is still difficult to use. The majority of MSME owners are still not sufficiently capable in using online marketplace technology. Products marketed in modern store chains and online marketplaces must also have attractive packaging to sell on the market.

Development Strategy for the UMKM Celawan Village

Development of Micro, Small and Medium Enterprises (MSMEs) is a strategic step because the sector has a large role in improving the lives of many people to support regional economic growth and as an effort in creating new jobs. This is demonstrated through the presence of MSMEs which are the largest part of the population's social economic activities.

The community as actors in micro, small and medium businesses are still considered to lack understanding of the development of MSME products, especially in terms of branding / marketing. In addition, increasing product sales value is also an important factor that can increase MSME income.

"Our products on the market are still inferior to conventional products. Therefore, we need support, especially for marketing," said

Representative Chairperson of Poktan, Supardi, at the Advanced Farmers Group (Gapoktan) Field Gathering Together with Celawan Village, Pantai Cermin District, Serdang Bedagai District.

The main problem in developing agricultural products in Celawan Village is related to the marketing of products that are still limited. Until now agricultural products are still constrained by the marketing process. The research conducted by the Dharmawangsa University Lecturer invited the Celawan Village Farmer Group (Poktan) to develop and improve the quality of the UMKM products produced.

Celawan Village has many superior products in the form of vegetables such as spinach, kale, mustard greens, bananas, rice, etc., but it is difficult to market them. Based on observations made by checking the price of agricultural commodities: in what market, in what middlemen, in what farmers? As it turns out, prices at Celawan farmers are much cheaper ".

Product branding done by farmers in Celawan Village is still classified as very minimal, this is evidenced by the limited marketing area that is only carried out around the area of Celawan Village so that it makes the product difficult to be known by the wider community and it is difficult to do marketing on a larger scale.

Agricultural Product Marketing Strategy

To maximize the potential of this agribusiness, an appropriate and effective strategy is needed in its marketing. The following are some agribusiness marketing strategies that can be implemented.

1. Form an Agribusiness Cooperative
2. Regional Banking Support
3. Auction
4. Establish Relationships with Consumers

V. CONCLUSIONS

It is realized together that the actual existence of MSMEs can really be used as one of the pillars of economic support, if there is a seriousness of farmers who have a sense of optimism and commitment with a sincere and clean heart to really carry out the task of empowering MSMEs.

Strategy and Program for Empowerment of MSME Potentials in Celawan Village, namely:

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- a. Strategy for Empowering MSME producers (vegetable farmers), namely: (1) Increasing minimum vegetable production; (2) Increase product competitiveness; (3) Improving regional security; (4) Empowering vegetable farmers; (5) Strengthen the position of SMEs farmers and collectors.
- b. Vegetable producers MSME Empowerment Program, namely: (1) Vegetable cultivation, according to market needs; (2) Empowering vegetable grower groups; (3) Improve production quality; (4) Business capital interest subsidies; (5) Completing market information data; (6) The government regulates migrants; (7) Business capital assistance; (8) Assistance with advanced technology skills; (9) Arrangement of farmers planting patterns; (10) Post-harvest training; (11) Government intervention in stabilizing prices; (12) Increase land productivity; (13) Fertilizing farmers' capital; (14) Responsiveness to technological progress; (15) Provision of capital and technology by business partners; (16) Providing market guarantees; and (17) Willingness of farmers to supply production continuously.

From this study it can be concluded that in the framework of implementation, planning, empowerment, and development of Micro, Small and Medium Enterprises (MSMEs) in Celawan Village, various constructive policies towards the economy in Indonesia are needed by creating rural entrepreneurs in rural areas. The government regulations needed to provide opportunities for the development of MSMEs in rural areas include improvement of facilities and infrastructure, banking access, human resource development, business network development, marketing and business partnerships and better economic climate to support the existence of the community in facing economic competition in the market. global.

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