

THE ROLE OF THE TWIN ONION CHIPS SME IN INCREASING RESIDENTS' INCOME IN MABAR HILIR VILLAGE, MEDAN CITY

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ABSTRACT

This study examines the role of the Keripik Bawang Nyiur Kembar (Twin Onion Chips) UMKM in increasing the income of residents in Mabar Hilir Village, Medan City. The research problem stems from the limited formal employment opportunities, which limits income for some residents, particularly housewives. The existence of UMKM is an alternative in creating locally-based jobs and helping to increase family income. This study uses a descriptive qualitative research method with an approach focused on understanding the social and economic conditions of the community. Data were obtained through observation, interviews, and documentation with informants consisting of business owners, workers, and local residents. The results show that the Keripik Bawang Nyiur Kembar (Twin Onion Chips) UMKM plays a role in creating employment opportunities for the surrounding community, especially housewives. In addition, this UMKM provides additional income that helps meet family needs and has a social impact in the form of community empowerment and increased local economic activity. However, the UMKM still faces several obstacles such as changing market conditions, limited raw materials, and working conditions. Overall, the Keripik Bawang Nyiur Kembar (Twin Onion Chips) UMKM plays an important role in strengthening the community-based economy.

INTRODUCTION

Micro, Small, and Medium Enterprises (UMKM) are productive businesses owned by individuals or small business entities with limited capital. UMKM play a crucial role in the economy by creating jobs, reducing unemployment, and helping improve community welfare. Medan City is one of the regions with significant UMKM development. UMKM are not only small business activities but also play a key role in local economic development by opening up business opportunities and increasing community income.

The economic situation in Mabar Hilir Village still faces several challenges, such as limited formal employment, low income, and the large number of people working in precarious sectors. This leaves some families in need of additional income sources. The UMKM Keripik Bawang Nyiur Kembar (Keripik Bawang Nyiur Kembar) is one such local business providing employment opportunities for the surrounding community. This business involves residents in the production process, from processing ingredients, frying, and packaging, opening opportunities for those who previously lacked a steady income.

The existence of this UMKM demonstrates that small businesses function not only as economic activities but also as a means of community empowerment. Through UMKM, residents gain employment opportunities, supplement income, and increase local economic activity.

II. LITERATURE REVIEW

Theoretical Framework

A theoretical framework is the conceptual basis used to explain research phenomena. In this research on the role of the Keripik Bawang Nyiur Kembar (Kerip Bawang Nyiur Kembar) UMKM, the theories used include:

1. Theory of Micro, Small, and Medium Enterprises (UMKM)
2. Theory of Community Income
3. Theory of the Role of UMKM in Economic and Social Development
4. Theory of the Relationship between UMKM and Increasing Community Income

Definition and Concept of UMKM

UMKM are productive economic activities owned by individuals or business entities that meet certain criteria based on net assets and annual turnover.

Types of UMKM include:

1. Micro-enterprises, which are businesses with the smallest net assets and turnover compared to other types of businesses.
2. Small-scale businesses, which are businesses larger than micro-enterprises but still have limited capital and management.
3. Medium-sized businesses, which are businesses with larger capital and turnover and have broader business development.

UMKM are an important part of the economy because they create jobs and increase economic activity.

Characteristics and Features of UMKM

The main characteristics of UMKM are:

1. Limited business scale, with simple capital and organization.
2. Informal management, usually managed directly by the business owner.
3. Using local resources for production.
4. Employing local labor from the surrounding community.
5. Having a local market but with the potential to expand.

These characteristics make UMKM more flexible in facing economic changes.

Functions and Roles of UMKM in the Economy

UMKM have several main functions:

1. Production function, namely producing goods or services needed by the community.
2. Distribution function, namely assisting in the distribution of products to consumers.
3. Employment function, namely creating job opportunities for the community.
4. Income generation function, namely providing income for business owners and workers.

UMKM also play a role in driving the local economy and strengthening social ties in the community.

Citizen Income Theory

Resident income is the total income earned by an individual or family from economic activities. Income can come from primary or secondary employment.

Factors influencing residents' income include:

1. Education and skills, as a person's abilities influence job opportunities.
2. Job opportunities, as the more jobs available, the greater the opportunity to earn income.
3. Business capital, as capital helps individuals develop economic activities.
4. Environmental economic conditions, as a vibrant environment can increase community economic activity.

The Relationship between UMKM and Increasing Residents' Income

UMKM are linked to increasing community income through:

1. Providing jobs in production processes such as processing and packaging.
2. Opening business opportunities for people who resell products.

3. Providing income opportunities for raw material suppliers.
4. Increasing economic turnover in the surrounding community.

Thus, UMKM are one of the factors that help increase community income.

III. RESEARCH METHODS

Research Methods and Approaches

This study employed a descriptive qualitative research method. This method aims to describe and understand social phenomena in depth based on real-world conditions. This study aimed to determine the role of the Keripik Bawang Nyiur Kembar (Kerip Bawang Nyiur Kembar) UMKM in increasing the income of residents of Mabar Hilir Village, Medan City. A qualitative approach was chosen because the research focused on understanding the experiences, perspectives, and economic impacts perceived by the community from the existence of this UMKM.

Data collection technique

The data collection techniques used in this study were:

1. In-depth interviews to obtain information on the role of UMKM, community income, and business constraints.
2. Direct observation to observe production processes, working conditions, and economic activities.
3. Documentation, in the form of notes, photographs of activities, and supporting research documents.

These three techniques were used to ensure data collection was more accurate and consistent with field conditions.

Data Analysis Techniques

Data analysis uses the Miles and Huberman model, which consists of:

1. Data reduction, which involves selecting and simplifying data relevant to the research.
2. Data presentation, which involves organizing the data into descriptive form for easy understanding.
3. Conclusion drawing and verification, which involves finding final results based on the analyzed data.

IV. RESULTS AND DISCUSSION

Research Results

The research was conducted at the Twin Nyiur Onion Chips UMKM located in Mabar Hilir Village, Medan City. This UMKM was chosen because it has been developing since 2018 and has a role in opening up job opportunities for the local community, especially housewives. Business activities are carried out routinely starting from the production process to product marketing.

UMKM Kembar Nyiur Onion Chips was originally a family business that developed independently. As demand for products increases, this business begins to involve workers from the surrounding environment, thereby providing economic benefits for local communities. Most of the workers involved come from residents around the business location.

Research Results

Based on the research results, these UMKM have a role in providing employment opportunities for people who previously did not have permanent employment. This job opportunity is especially felt by housewives who can work without having to leave family

responsibilities. Apart from opening up employment opportunities, the UMKM Twin Nyiur Onion Chips also contributes to increasing family income. The additional income earned by workers helps meet daily needs, children's education costs and other household needs.

From a social perspective, the existence of UMKM has a positive impact in the form of increasing community economic activity. The relationship between business owners, workers and the surrounding community runs well, creating a community-based economic environment. The data analysis process is carried out through the stages of data reduction, data presentation, as well as drawing conclusions and verification. The research results show that UMKM have a strong relationship with improving the community's economy through job creation and additional income.

Overall, the research results show that the Twin Nyiur Onion Chips UMKM has an important role in increasing the income of the residents of Mabar Hilir Subdistrict, although there are still several obstacles such as working conditions, raw materials, and changes in market demand.

Discussion

UMKM as Local Labor Absorbers

The Keripik Bawang Nyiur Kembar (Keripik Bawang Nyiur Kembar) UMKM plays a role in providing employment for the surrounding community. Recruitment prioritizes local residents, particularly housewives and those with limited access to formal employment. This UMKM provides opportunities for the community to earn income through accessible work. Furthermore, the business's proximity to their homes allows workers to balance their time between work and family. Thus, the UMKM empowers the local workforce.

The Role of UMKM in Increasing Income

The Twin Onion Chips UMKM has significantly increased the income of working families. Before working, some people relied solely on their husband's income or casual employment. After working in an UMKM, they gain additional income that can help meet household needs. This demonstrates that UMKM serve to strengthen the family economy, even on a micro-scale.

UMKM as Community-Based Economic Empowerment

UMKM function not only as business activities but also as a means of community economic empowerment. The existence of UMKM creates local economic activity, increases women's participation, and strengthens social ties among residents.

Researcher's Critical Interpretation

Based on the research findings, the Twin Onion Chips UMKM plays a significant role in increasing community income. This role is evident from the economic aspect through increased family income, the social aspect through women's empowerment, and the local aspect through job creation. However, business development still requires support in the form of capital, marketing, and improved business management.

Deepening the Analysis of Economic and Social Impacts

The impact of UMKM on the community can be seen from several aspects:

1. Economic impact, namely providing additional income for workers.
2. Social impact, namely increasing productive community activities.
3. Empowering women, especially housewives.
4. Harmonious relationships with the surrounding environment.

5. Economic dependence, because UMKM income is still supplementary.
6. Business sustainability is influenced by market conditions and raw materials.
7. The relationship between UMKM and the local community.

A. Internal Factors

Internal factors originate from within the Nyiur Kembar Onion Chips UMKM and influence business development, namely:

1. Product quality. Onion chips have a distinctive taste and product variety that are the business's strengths.
2. Production capacity. The UMKM is able to carry out routine production activities by involving local workers.
3. Business management. Business management remains simple because most decisions rest with the business owner.
4. Human resources. The workforce comes from the local community, thus assisting the production process and creating jobs.
5. Business capital. Limited capital is one factor affecting business capacity development.

B. External Factors

External factors are factors external to the UMKM that can impact business sustainability, namely:

1. Market conditions. Changes in consumer demand can affect production volume and business revenue.
2. Business competition. The large number of similar food businesses requires UMKM to improve quality and marketing strategies.
3. Availability of raw materials. Changes in the price and availability of production materials can impact business activities.
4. Government support: Training, capital assistance, and mentoring can help the development of UMKM.
5. Technological development: The use of digital media can expand marketing and increase business competitiveness.

CONCLUSION

on the research findings on the role of the Keripik Bawang Nyiur Kembar (Twin Onion Chips) UMKM in increasing the income of residents of Mabar Hilir Village, Medan City, the following conclusions can be drawn:

1. The Keripik Bawang Nyiur Kembar (Twin Onion Chips) UMKM plays a role in creating employment opportunities for the surrounding community. The UMKM's presence is able to absorb local labor, particularly housewives and those with limited access to formal employment.
2. The UMKM contributes to increasing the income of working families. The additional income earned from working in the UMKM helps meet daily needs, education costs, and other household expenses, thus strengthening the family's economic situation.
3. The UMKM faces operational challenges. These challenges include workplace conditions, limited raw materials, and changes in market demand. However, these challenges have not hampered the overall sustainability of the business.
4. The community has a positive view of the UMKM. Residents hope that the UMKM will continue to grow with support from various parties, thereby creating more job opportunities for the surrounding community.
5. Overall, the Keripik Bawang Nyiur Kembar (Keripik Bawang Nyiur Kembar) UMKM plays a significant role in increasing local incomes. This role is evident in

the creation of jobs, increased family income, and the social impact of community empowerment and strengthening the community-based economy.

SUGGESTIONS

Based on the research findings, the following recommendations can be made:

1. UMKM owners are expected to improve business management by enhancing product quality, workplace comfort, marketing strategies, and financial management to ensure sustainable business growth.
2. Local governments are expected to provide support in the form of business management training, capital assistance, UMKM mentoring, and assistance in expanding the marketing of local products.
3. The community is expected to continue supporting local UMKM by using and introducing UMKM products to the wider community.
4. Future researchers are expected to conduct more extensive research on UMKM development, including economic, social, and business development strategy aspects.
5. For the development of the Twin Nyiur Onion Chips UMKM, it is hoped that it will be able to increase product innovation, expand marketing networks, and utilize digital technology so that the business can grow further and have better competitiveness.

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