

Factors that Influence Traders' Income at Sanglah Market, West Denpasar District, Denpasar City

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Abstract

Dauh Puri Klod Village was established based on the Decision of the Governor of Bali, designated as a Preparation Village to develop the administrative area of Dauh Puri. In terms of demographics, the population of Dauh Puri Klod Village is highly heterogeneous, consisting of various ethnicities, races, and religions. Generally, the residents are urban dwellers who are settled, with permanent residences and jobs. The data used in this study consists of primary data, which was obtained through direct interviews with informants and confirmed existing data. The sample size for this research included 78 respondents. The results of the multiple linear regression analysis indicate that capital, working hours, and business duration simultaneously have a positive and significant effect on the income of traders at Sanglah Market, West Denpasar District, Denpasar City. Additionally, capital, working hours, and business duration individually also have a positive and significant impact on traders' income at Sanglah Market, West Denpasar District, Denpasar City.

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1. INTRODUCTION

Development in Indonesia currently covers various sectors, including economic, political and socio-cultural, with the aim of improving people's living standards. Economic development policies focus on job creation and sustainable economic growth. However, the main challenges faced are the unequal distribution of income and the imbalance between demand and supply of labor.

Demand for labor generally comes from the formal sector, such as government and private companies, which set certain wage standards. However, many workers do not meet these criteria, so they are forced to look for work in the informal sector. This phenomenon is clearly visible in big cities, where many workers are forced to become street vendors or open small businesses to make ends meet.

The informal sector, although unorganized, plays an important role in the economy, absorbing labor and distributing development gains. Many small businesses in this sector operate without official permits and often face the risk of enforcement by local governments. Nonetheless, the informal sector provides flexibility for workers and contributes to the local economy.

According to Law no. 25 of 1997, informal sector workers are those who work in unstructured employment relationships and do not have clear wage standards. Keith Harth argued that the informal sector consists of a workforce that is outside the organized labor

market. The formal sector, on the other hand, operates with government permission and is officially registered, but is unable to absorb all the available workforce.

Characteristics of the informal sector include small businesses with small-scale production of goods and services. Many workers in this sector do not have formal education and skills, so their productivity and income tend to be low. This can be seen in data which shows that many traders in traditional markets have variable income, depending on people's purchasing power and the season.

Traditional markets in Indonesia also have a strategic role in the economy, functioning as a place to absorb labor and increase income. However, traditional markets face challenges from modern shopping centers that offer convenience and comfort, thus shifting the role of traditional markets. Many consumers prefer to shop at minimarkets or supermarkets, which has resulted in a decline in visitors to traditional markets.

This phenomenon is increasingly clear in Bali, where traditional markets sell not only daily necessities, but also materials for religious ceremonies. This shows that traditional markets in Bali have a different market share compared to modern shopping centers. However, many traders in traditional markets feel marginalized by the dominance of modern markets.

Data shows that in Denpasar City there are 34 traditional markets spread across various sub-districts. The difference in the number of markets in each sub-district shows the inequality in the distribution of traditional markets. South Denpasar District, for example, does not have a regional market, while South Denpasar District has the largest number of markets, raising questions about the sustainability of traditional markets amidst modern market competition.

At Sanglah Market, West Denpasar District, there are various types of traders offering various products. The grouping of traders shows variations in type of business, ranging from food to household needs. However, the income earned by traders varies, influenced by capital, working hours and experience. This phenomenon can be seen from the many traders who complain that their income is insufficient to meet their living needs.

Capital is a key factor in determining a trader's income. The more capital you have, the more goods you can produce and sell. Apart from capital, good business management and optimal working hours also contribute to income. Many traders are trying to increase working hours to increase income, even though they have to face health and stamina challenges.

Trading experience also plays an important role in increasing earnings. More experienced traders tend to be more productive and able to adapt to market changes. Therefore, length of business and experience have a significant effect on the economic performance of traders in traditional markets. This phenomenon can be seen from the many traders who have managed to survive despite difficult conditions through innovation and strategy adjustments.

In this research, it is important to examine the influence of capital, working hours and experience on traders' income at Sanglah Market. With a better understanding of these factors, it is hoped that we can contribute to policies that support the sustainability of traditional markets and the development of the informal sector in Indonesia. It is hoped that this research will be able to provide input for the government to pay attention and adopt more appropriate policies in supporting traditional market traders.

The aim of this research is to analyze the factors that influence traders' income at Sanglah Market, West Denpasar District. This research aims to identify and understand the relationship between several independent variables, namely working capital, working hours and length of business, on the dependent variable, namely trader income. Apart from that, this research also aims to provide recommendations that can be used to increase traders'

income, taking into account the factors that have been analyzed. Thus, it is hoped that the results of this research can contribute to the development of more effective strategies in improving the welfare of traders at Sanglah Market and other traditional markets in Indonesia.

2. RESEARCH METHOD

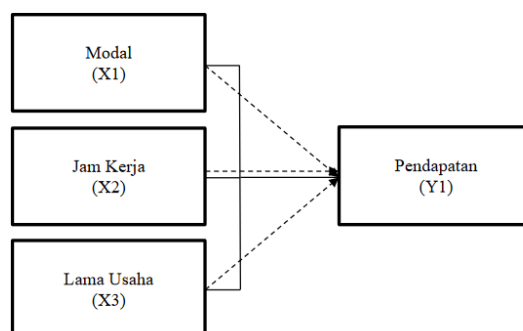
The research method used in this study was designed to explore and analyze the influence of capital, working hours and length of business on traders' income at Sanglah Market, West Denpasar District. This research adopts a quantitative approach with an associative design, which aims to understand the relationship between the variables involved. This research uses a quantitative approach, which focuses on collecting and analyzing numerical data to test hypotheses. The research design chosen is associative, which means this research aims to determine the relationship between the independent variables (capital, working hours and length of business) and the dependent variable (trader's income). With this approach, researchers can identify how much influence each independent variable has on trader income.

In this research, the population studied was all traders operating in Sanglah Market, West Denpasar District. Based on the data obtained, the total number of traders in the market is 376 people. This population includes various types of traders who sell various products, thus providing a comprehensive picture of the conditions and income of traders in the market.

Because the population is quite large and has limitations in terms of time, energy, and resources, the researcher decided to use a sample as a representative of the population. In this research, the number of samples determined was 78 traders. Determining the sample size was done using the Slovin formula, which helps determine the appropriate sample size based on the existing population. The sampling technique used in this research is sampling incidental. According to Sugiyono (2017), *incidental sampling* is a sampling technique based on chance, where anyone who coincidentally meets the researcher and is deemed suitable as a data source can be used as a sample. In the context of this research, researchers selected traders who were found at Sanglah Market and were willing to participate in the research.

By using this technique, researchers can collect data from various traders, so that the research results can reflect the broader conditions of the trader population at Sanglah Market. This incidental sampling technique also makes it easier for researchers to collect data, because it does not require complicated procedures for sample selection. Data collected from questionnaires and interviews was then processed using multiple linear regression analysis. This method is used to find out how much influence each independent variable has on the dependent variable. The framework for thinking in this research is as follows:

Figure 1. Thinking Framework



Source: Author (2023)

Based on the research framework above, the hypotheses proposed in this research are:

1. Capital, working hours and length of business simultaneously have a positive and real influence on the income of traders at Sanglah Market, West Denpasar District, Denpasar City.
2. Capital, working hours and length of business partially have a positive and real influence on the income of traders at Sanglah Market, West Denpasar District, Denpasar City.

3. RESEARCH RESULTS AND DISCUSSION

3.1. Research result

Simultaneous Test (TEST F)

It is known that the F statistic value = 344.8450 > F table = 2.728 and the Probability F-statistic is 0.000 < 0.05. Therefore, it can be concluded that the capital variables (X1), working hours (X2), and length of business (X3) simultaneously influence the income variable (Y).

Partial Test (t TEST)

1. The capital variable (X1) has a value of tcount = 9.301 > ttable = 1.665 and Sig. 0.000 < 0.05. Based on these results, it can be concluded that the capital variable (X1) has a positive and significant effect on income (Y). So, H1 can be accepted and H0 is rejected. This means that if capital (X1) increases by 1 Rupiah then the income variable (Y) will increase by IDR 1,691,330
2. The working hours variable (X2) has a value of tcount = 5.185 > ttable = 1.665 and Sig. 0.000 < 0.05. Based on these results, it can be concluded that the working hours variable (X2) has a positive and significant effect on income (Y). So, H1 can be accepted and H0 is rejected. This means that if working hours (X2) increase by 1 hour, the participation variable (Y) will increase by IDR 1,978,420.
3. The length of the business variable (X3) has a value of tcount = 2.732 > ttable = 1.665 and Sig. 0.00 < 0.05. Based on these results, it can be concluded that the length of the business variable (X3) has a positive and significant effect on income (Y). So, H1 can be accepted and H0 is rejected. This means that if the length of business (X3) increases by 1 month, the participation variable (Y) will increase by Rp. 442.520,7.

3.1. Discussion

In discussing the results of research regarding the influence of capital, working hours and length of business on traders' income at Sanglah Market, West Denpasar District, it is important to link theory with empirical data obtained from the field. This research shows that these three variables have a significant influence on trader income. First, capital is proven to be a key factor in increasing income. Traders who have greater initial capital tend to be able to buy more goods, take advantage of product variations, and carry out more effective marketing strategies. This is in line with the theory which states that sufficient capital can support business operations, allowing traders to increase sales volume and diversify the products offered.

Furthermore, working hours also play an important role in determining income levels. The research results show that traders who spend more time in the market, both in terms of operating hours and service time to customers, have a higher chance of increasing revenue. This is in line with the concept that more time allocated to business will result in more interactions with consumers, potentially increasing sales.

The research notes that traders who operate more than 10 hours a day tend to earn much higher incomes than those who only work short hours.

Apart from that, length of business was also identified as a factor influencing income. Traders who have been operating in the market for a long time show better abilities in recognizing consumer behavior, managing stock, and building good relationships with customers. The experience gained from years of selling helps traders to innovate in sales and marketing, thereby increasing their competitiveness in the market. This research found that traders with more than 5 years of experience tend to have stable and higher incomes compared to newcomers.

Overall, the discussion of the results of this research shows that there is a complex interaction between capital, working hours, and length of business that influence trader's income. These three variables not only function individually but are also interrelated, where an increase in one variable can support and strengthen the effects of other variables. Therefore, it is important for the government and policy makers to consider these aspects in formulating policies that support the sustainability and growth of traders in traditional markets, as well as to encourage the development of the informal sector which is an integral part of the national economy.

The following are some implications of research results regarding the influence of capital, working hours and length of business on traders' income at Sanglah Market, West Denpasar District:

Implications of Research Results

1. Capital Support Policy Development

The research results show that capital has a significant effect on income. Therefore, the government and related institutions need to develop financing programs that are more accessible for traders, such as microcredit or initial capital assistance. This can help traders increase their business capacity and, in turn, increase revenue.

2. Training and Skills Improvement

To maximize the use of capital, it is important to provide training for traders on business management, marketing and product innovation. This training can help traders use their capital more effectively and efficiently, increasing their competitiveness in the market.

3. Increased Working Hours and Time Management

Research shows that working hours have an effect on income. Therefore, it is important to encourage traders to pay more attention to working time management. The government can provide guidance on good work practices and create an environment that supports more flexible business operations.

4. Creation of Trader Community Bonds

Building a network between traders can create mutually beneficial collaboration. By sharing experiences and strategies between more experienced and new traders, all parties can learn and grow together, ultimately having a positive impact on revenue.

5. Market Infrastructure Development

The research results show that the market environment and facilities can influence income. Therefore, the government needs to pay attention to developing market infrastructure, such as increasing accessibility, cleanliness and comfort, in order to attract more visitors and increase trading activities.

6. Traditional Market Promotion

Considering the important role of traditional markets in the local economy, promotional campaigns that emphasize the uniqueness and superiority of local

products must be carried out. This will help increase the attractiveness of traditional markets compared to modern shopping centers.

7. Policy Monitoring and Evaluation

It is important to carry out regular monitoring and evaluation of the policies implemented to support traders. By understanding the impact of various policies, the government can make the necessary adjustments to further improve the welfare of traders in traditional markets.

4. CONCLUSION

In this research, we have discussed in depth the influence of capital, working hours and length of business on the income of traders at Sanglah Market, West Denpasar District. The results obtained show that these three variables have a significant influence, both simultaneously and partially, on traders' income. This is in line with the expectations that have been stated in the "Introduction" chapter, where the research objective is to identify and analyze the factors that influence traders' income. The expected statement in the "Introduction" chapter regarding the importance of capital, working hours, and length of business in increasing traders' income has been proven in the "Results and Discussion" chapter. This research shows that:

1. Capital: Increased capital contributes directly to increased income, indicating that traders who have more financial resources can make better investments in their businesses.
2. Working Hours: Research finds that traders who work longer hours tend to earn higher incomes, indicating that the time spent selling greatly influences the results obtained.
3. Length of Business: Experience gained from years of business plays a role in increasing income, where more experienced traders can manage their business more effectively.

Based on the results of research regarding the influence of capital, working hours and length of business on traders' income at Sanglah Market, several suggestions can be put forward to improve traders' welfare and the effectiveness of market operations. First, the government needs to consider developing financing programs that are more inclusive and easily accessible for traders, especially for those who are just starting a business. Capital assistance, whether in the form of microloans or grants, can provide significant encouragement for traders to increase their business capacity.

Additionally, training and skills development for traders is essential. Training programs that focus on financial management, marketing, and product innovation strategies will help traders utilize existing capital more effectively. Through improving skills, traders can improve the quality of products and services, which in turn can attract more customers.

Furthermore, to increase working hours, it is important for traders to manage their time better. Governments and trade associations can provide guidance on effective time management practices, as well as creating an environment that supports flexible and productive working hours. In addition, building a network between traders can also provide opportunities to share experiences and strategies, which can increase collective income.

Although this research provides valuable insight into the influence of capital, hours worked, and length of business on trader income, there are several limitations that need to be noted. First, this research is quantitative and relies on data collected through surveys. This may not fully cover other possible variables that influence trader income, such as market conditions, competition, and applicable government policies.

The second limitation is that the focus of the research was only carried out at Sanglah Market, West Denpasar District. The results obtained may not be completely generalizable to other traditional markets in Indonesia, considering that each market has different characteristics and dynamics. Therefore, further research in various locations will be needed to expand understanding of these factors that influence income of traders in the informal sector. Lastly, data collection time is also a limitation. This research was conducted in a certain period which may not reflect long-term market conditions. Rapid economic and social dynamics can influence research results, so further studies are needed to monitor broader changes and trends.

With the suggestions submitted, it is hoped that it can make a real contribution to the development of traders at Sanglah Market and other traditional markets. Meanwhile, by recognizing the limitations of the study, future researchers can design more comprehensive and in-depth studies to understand the factors involved influence income of traders in the informal sector.

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