

THE ROLE OF LABOR CAPITAL AND MARKETING IN EFFORTS TO INCREASE THE INCOME OF SALT FARMERS IN GAMPONG TANOH ANOE, TERM DISTRICT, BIREUEN DISTRICT

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ABSTRACT

This research is motivated by the low income of salt farmers so far, especially in Gampong Tanoh Anoe, Jangka District, Bireuen Regency. The study aims to determine the role of capital, labor, and marketing in increasing salt farmers' income in Gampong Tanoeh Anoe, Jangka District, Bireuen Regency. The approach used in this research is qualitative. This type of research uses descriptive qualitative. The subjects in this study were ten salt farmers. Data collection techniques using observation, interviews, and documentation. Data analysis techniques include data reduction, presentation, and conclusion and verification. The study results show that capital is essential in increasing salt farmers' income in Gampong Tanoh Anoe, Jangka District, Bireuen Regency. The greater the money issued, the better the farmers' income; this business influences capital. Labor in this business is not very important for the payment of salt farmers in Gampong Tanoh Anoe, Jangka District, Bireuen Regency. This is based on the fact that labor is only used during the packaging process, nothing else. Marketing/promotion plays a significant role in advancing the business of salt farmers in Gampong Tanoh Anoe, Jangka District, Bireuen Regency. This is based on the quality and location that farmers will market during salt production.

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1. INTRODUCTION

Economic development is significant in a country, especially in increasing financial income and improving the welfare of its people. The economic development of a nation is also an essential pillar for implementing the development process in all fields, be it industry, agriculture, politics, and so on. The development process is often associated with the industrialization process.

Industrialization and industrial development are pathways to improve people's welfare in the sense of a more advanced standard of living and a higher quality standard of living. In other words, industrial development is a function of the primary goal of people's welfare. One of the efforts to improve people's interest is through development in the industrial sector.

The industrial sector has a significant and strategic role in the economic development of a region because its existence provides many benefits for regional economic development. The industrial sector is expected to be able to bring about fundamental changes in other financial structures so that progress achieved by the industrial sector will be followed by improvement in other sectors (Jumriati, 2017).

Production is "something that the company produces in the form of goods or services (service) in a period which is then calculated as added value for the company" (Fahmi, 2012). Production is closely related to survival and also human civilization and the earth. Production activities are a link in the chain of consumption and distribution. Production activities produce goods and services, which consumers then consume.

Currently, the population in Indonesia in 2018-2019 has reached 267 million people. As the population increases, the demand for salt will continue to grow. This is indicated by the need for local salt consumption, which cannot meet the community's yearly needs. Of course, this will make it difficult for the community, so the government implements a policy of importing goods from abroad. This does not solve the problem; instead, it adds to the issues for people who work as salt farmers.

The policy set by the government by importing salt from abroad will make local salt prices drop and weaken the market. The farmers think that the farmers' salt production is not of good quality. Those who work as salt farmers who depend on their daily lives will indeed find living difficult.

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Not only do the people of Pati feel it, but all the salt farmers in the surrounding area feel it too. This triggers enormous losses of up to tens of millions of rupiah and will undoubtedly affect the lives of salt farmers from an economic perspective. This was started by government policies that were incompetent in solving problems.

Based on the initial survey conducted by researchers, it was found that there are many salt farmers in the village of Tanoh Anoe. However, the business is run in a family manner; many farmers only employ their household members or relatives. The capital used in this business is also fairly mediocre.

Many salt farmers automatically complain about the significant losses in managing their businesses. This is because the price of imported salt is usually lower than the price of local salt. In addition, the low income of farmers is also caused by the low selling price of local salt when compared to the selling price of imported salt. The expected selling price of local salt is caused by the quality of local salt, which is still inferior to the quality of imported salt, and there is no limit to the entry of imported salt as consumption salt.

In the salt farming business, several factors significantly influence several aspects of production, starting from the capital, productivity, selling price, etc. We know that a company begins with money; productivity activities will not run smoothly without capital because capital is essential in funding and financing production. In addition, the selling price of the product also greatly influences it because a product with good quality will be very profitable because the public accepts the product, which will affect the income generated. The more revenue you get, the better the welfare of life.

At the beginning of any business activity, there must be capital. Without working capital, it does not run as it should. Capital is an essential asset in running a business because a company or entrepreneur needs sufficient capital to carry out daily operational activities directly and continuously as long as the company/business operates according to its profit goal.

Without capital, business activities cannot be carried out. Capital is a determining factor in production activities; capital size affects the output produced. However, significant capital does not necessarily have extensive production; it could be the reverse because a country's economic system influences all of this. Capital is the starting point for running a business in the agricultural business world, starting from the materials/tools, labor, wages, water, land, and so on to support a successful harvest.

Tanoh Anoe Village is a registered village in Bireuen district and is an agricultural village right on the edge of the Jangka Sea. In the salt farming business, several factors greatly influence several aspects of production, starting from the capital, productivity, selling price, etc. We know that the beginning of a business begins with money. Without capital, productivity activities will not run smoothly.

Capital plays an essential role in funding and financing production. In addition, the selling price of the product also greatly influences it because a product with good quality will be very profitable because the public accepts the product, which will affect the income generated. The more revenue you get, the better the welfare of life.

Based on the description above, the researcher wishes to research the business of making the red salt industry in Gampong Tanoeh Anoe, Jangka District, Bireuen Regency. So the author wants to conduct scientific research titled "The Role of Capital, Labor, and Marketing in Efforts to Increase Salt Farmers' Income in Gampong Tanoeh Anoe, Jangka District, Bireuen Regency."

2. LITERATURE REVIEW

Salt is a strategic commodity that is no less important than other basic needs because salt is an industrial raw material and food ingredient for Indonesians. Most of the salt produced in Indonesia is needed for the CAP industry (Clor Industry, Alkali Plant/CAP), households, and the food, pharmaceutical, and petroleum industries (Efendy. et al., 2012).

According to the Marine Research Center and Non-Biological Resources (2006), efforts are needed to increase people's salt production; one of the existing solutions is salt and artemia integrated technology. DKP (BRKP and Directorate General of Aquaculture) and BPPT developed this technology for a long time in several regions with very encouraging results. Still, it has not been implemented in society at large.

According to Jannah (2015), explaining that in a business, capital is a business factor that plays an essential role because capital is a long-term process that should be taken into account in such a way as to control finances. Capital affects the income of salt farmers in Bunder Village, Pademawu District, and Pamekasan Regency because capital is an essential component of production costs before producing salt. Without production capital, salt production will not work.

Choosing a source of financing is a significant financial decision for a company. The long-term debt-to-equity ratio describes the company's capital structure, and the debt-to-equity ratio determines the

amount of financial leverage used by the company. The definition of business capital according to the Big Indonesian Dictionary (in Nugraha, 2011: 9), "Business capital is money that is used as the principal (parent) for trading, releasing money, and so on; property (money, goods, and so on) that can be used to produce something that adds to wealth.

Capital can be broadly interpreted as money. To start a business, you first need a certain amount of money. In a narrow sense, capital can be said to be someone's expertise. With specific skills, someone can join those with financial capital to run a business (Sari & Hasanah, 2019). According to the Indonesian Labor Law (2003), a Worker/laborer is any person who works to receive wages or other forms of remuneration. Physical labor relies on biological material in the production process. At the same time, spiritual delivery requires thoughts to carry out production process activities. Workers work or do something and can do the work inside and outside the employment relationship.

The workforce includes those who work for themselves or their families who do not receive payment in the form of wages or those who are willing to work and can work but have no job opportunities, so they are forced to be unemployed. Labor is everyone who can do work to produce goods or services to meet their own needs and for the community (Tambunan, 2012).

Marketing is one of the company's main activities to achieve its goals: maintaining survival, developing, and earning profits. Marketing is also an essential factor in meeting consumer needs. For that, marketing activities must be able to provide consumer satisfaction. According to Saleh & Said (2019), marketing is an organizational function and a series of processes for creating, communicating, and delivering value to customers to manage customer relationships that benefit the organization and those interested in the organization. According to Fandy (2010), explaining marketing is a function that has the most significant contact with the external environment, even though companies have limited control over the external environment.

Marketing aims to attract the attention of buyers to consume the products offered. Therefore, marketing plays an essential role in strategy development. Tambajong (2013) says, "Marketing is a system of business activities designed to plan, determine prices, promote and distribute products that can satisfy desires in achieving company goals." In general, many salt farmers in Bireuen Regency are classified as not prosperous. Of course, this will trigger the poverty level of salt farmers. The concept of poverty is more associated with the economic dimension because this dimension is the easiest to observe, measure and compare (Dewi, 2008). In a broad sense, poverty as a multi-faced or multidimensional phenomenon due to poverty is seen not only from the economic side but also from the social, cultural, and political dimensions. Smallholder salt farmers face many problems directly related to production and marketing, the government, and those they face daily.

3. METHOD

The approach used in this study is used by using a qualitative approach. The type of research using descriptive qualitative analytical methods. Moleong (2010: 4) suggests that qualitative research is "a procedure that produces descriptive data in the form of written or spoken words from people and observable behavior."

Qualitative research relies on a holistic natural background, positions humans as a research tool, performs inductive data analysis, and places more importance on process than on the results of research conducted, agreed upon by the researcher and the research subject. The number of informants as research objects cannot be determined. However, they can only be distinguished according to their characteristics. The informants for this study included various types, such as critical informants who knew and had different basic information needed in the research.

The primary informants are those directly involved in the social interaction under study. Additional informants, namely those who can provide information even though they are not directly involved in the social interaction being studied. In research, every day, the findings must be checked for validity so that the correctness of the research results can be accounted for and their fact proved. To check the validity of these findings, researchers use triangulation.

4. RESULT AND DISCUSSION

Farming income provides an overview of the benefits of farming activities. The farming income of the respondent farmers in Gampong Tanoh Anoe, Jangka District, Bireuen Regency, is remuneration for the costs incurred by the farmers in carrying out salt farming activities. From the findings obtained by researchers during the research, namely the lack of capital needed by salt farmers, the lack of supporting

facilities and infrastructure as supporting materials for salt farmers in Gampong Tanoh Anoe, Jangka District, Bireuen Regency, besides that, there is also a lack of productive land as a place to farm vegetables.

The people in Gampong Tanoh Anoe, Jangka District, Bireuen Regency are also experiencing problems related to pests and diseases for which the best solution has not been found—discrepancies in market prices and weak farming institutions in the two villages. The community is still hesitant and chooses to make salt farmers a sideline. If you think about it, if the people do it well, the results they get will be very satisfying.

Thus it can be explained that if the variables are weak capital in the community, lack of production support infrastructure, lack of production facilities, lack of land and business ownership, the number of pests and diseases, and marketing uncertainty increased, it will be followed by an increase in vegetable production in Gampong Tanoh Anoe, Jangka District, Regency. Bireuen produces paddy field vegetables because production will increase or increase. And conversely, if the variables of land area, capital, and labor decrease, it will be followed by a decline in vegetable production in Gampong Tanoh Anoe, Jangka District, Bireuen Regency.

Price is the amount of money, goods, or services the buyer exchanges for the product or service the seller offers. Price is also an economic sacrifice by customers to obtain products or services. The role of prices in a market economy is to allocate resources according to demand and supply. The price attached to each product can reflect the quality of the product itself, where the price for certain types of products is not only the amount of money spent but also reflects the quality of the product (Efendi, 2009).

In the salt farming business, several factors greatly influence several aspects of production, starting from the capital, productivity, selling price, etc. We know that a company begins with money; productivity activities will not run smoothly without capital because capital is essential in funding and financing production. Fortune has a vital role in funding salt productivity activities.

The more capital, the easier the production process produced. This is by Dewi (2008), which states that the factor of capital production influences every production of the agricultural sub-sector. The higher the working capital per business unit used, it is expected that the production of salt ponds will be better. As well as increasing the productivity of salt will automatically increase the income of salt farmers. In addition, the selling price of commodity goods also dramatically influences it. A good quality salt productivity yield will be very profitable because the community accepts the product, and this will affect the income generated. The more revenue you get, the better the welfare of life.

In the hierarchy of Indonesian government regulations, there is already a Law that regulates the Protection and Empowerment of fishermen, fish raisers, and salt farmers, namely Law Number 7 of 2016. Article 1, paragraph (1) states that "Protection of Fishermen, Fishermen Fish, and Salt Farmers are all efforts to help fishermen, fish raisers and salt farmers in dealing with problems of difficulties in conducting fisheries and salt businesses. From the contents of this article, it is clear that the government's role is urgently needed for economic activities in a region, including people's salt production activities in Gampong Tanoh Anoe, Jangka District, Bireuen Regency. Regarding the guarantee of the availability of raw materials for production activities, it is also regulated in Law Number 3 of 2014 concerning industry. With this Act,

The government should be responsive to the obstacles faced by salt farmers. For example, if it rains, people's salt, usually produced by drying, cannot be carried out. Related government initiatives must exist so people's salt production activities can still be carried out. So to overcome this, one way is for the relevant government to provide raw materials or Madura salt seeds which salt farmers usually use during the rainy season.

5. CONCLUSION

Based on the research results, the following conclusions can be drawn: Capital is essential in increasing salt farmers' income in Gampong Tanoh Anoe, Jangka District, and Bireuen Regency. The greater the capital issued, the better the farmers' income. This business is very influential on money. Labor in this business is not very important for the payment of salt farmers in Gampong Tanoh Anoe, Jangka District, Bireuen Regency. This is based on the fact that labor is only used during the packaging process, nothing else. Marketing/promotion plays a significant role in advancing the business of salt farmers in Gampong Tanoh Anoe, Jangka District, Bireuen Regency. This is based on the quality and location that farmers will market during salt production.

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