

THE EFFECT OF INCREASED COOKING OIL PRICES ON THE INCOME AND PROFITS OF STREET VENDORS IN THE MANGLI RED LIGHT CROSSROADS JEMBER REGENCY

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ABSTRACT

This study aims to determine the increase in the price of cooking oil on the income and profits of street vendors in the Mangli red light intersection area, Jember Regency. This research is qualitative by presenting the results of interviews in the field. The samples taken were 129 street vendors in the Mangli red light intersection area, Jember Regency. The results of this study, the average income of traders during the increase in cooking oil prices is almost 40% with smaller profits, which is decreased by around 50% than usual. This means that the impact caused by the increase in cooking oil prices is quite significant in affecting the income and profits of street vendors. In addition, other influences that arise include fewer customers every day, fewer customers buying products from street vendors, because they are more concerned with the main product, in this case the nine basic ingredients. With increasing business conditions, street vendors switch professions, some even stop trading or stop waiting until the price of cooking oil recovers as before.

Keywords: Street vendors, income, profit.

INTRODUCTION

Indonesia is a country that consists of several islands and provinces, on the island of Java there are many coconut trees, while outside Java, many islands are planted with palm trees. As we know coconut and palm oil are the main raw materials in producing cooking oil. Indonesia is one of the largest palm oil producing countries in the world, according to an economic report, even since 2006 Indonesia has become the world's number one producer of palm oil, while citing Mundi index data in 2019, Indonesia's palm production reached 43.5 million tons with growth an average of 3.61 percent per year. Giant production is also supported by the availability of Indonesian oil palm plantations covering an area of 16,381 million. (<https://www.suara.com/bisnis/2021/10/15/114356/5-negara-produsen-minyak-sawit-terbesar-di-dunia-indonesia-paling-nger>) 20 Januari 2022.

From the data above, we can conclude that with palm oil production reaching 43.5 million tons per year, this production should meet the needs of all Indonesian people in terms of meeting the needs of cooking oil. However, since January and February 2022, Indonesia in several regions has experienced an increase in the price and scarcity of cooking oil, so it is unfortunate that as the largest palm oil producing country in the world, its people still lack cooking oil. Of course this is a concern of the central government, through the ministry of trade the government set a HET of Rp. 14,000/perliter, as of February 1, 2022. However, in some areas it is still not possible to apply government regulations regarding the price of cooking oil in accordance with government regulations, due to the taking of cooking oil from agents or suppliers, the price of cooking oil is still above the HET applied by the government so that some markets are still have not been able to adjust the prices set by the government.

Cooking Oil is nine staple foods that are very crucial in daily life, with the increase in the price of cooking oil by more than 50%, it certainly makes many parties find it difficult to meet their needs. The ones who have a great impact on the popularity of cooking oil are housewives, with this increase in cooking oil, housewives must be smart in spending their money so that they can still buy cooking oil and other daily necessities. In addition to housewives, other affected by the increase in cooking oil prices are street vendors, food stalls, home industries that sell their products using cooking oil as one of the ingredients.

This phenomenon of rising cooking oil prices is felt by almost all Indonesian people, one of which is street vendors in the Mangli red light intersection area, Jember Regency. This area has a lot of street vendors ranging from fried food, food and drink sellers. From the problems above, the writer wants to know more about the impact or influence of rising cooking oil prices on the income and profits of street vendors, especially in the Mangli red light intersection area, Jember Regency. From the description of the background above, the main problem can be formulated as follows: The effect of rising cooking oil prices on the income and profits of street vendors, especially in the Mangli red light intersection area, Jember Regency. Based on the formulation of the problem, the purpose of this study is to find out the effect of rising cooking oil prices on the income and profits of street vendors, especially in the Mangli red light intersection area, Jember Regency.

According to the Big Indonesian Dictionary (KKBI) influence is a power that exists or arises from something (people, things) that help shape a person's character, beliefs or actions. <https://kkbi.web.id/pengaruh.html> (20 januari 2022)

According to Damsar (2002: 51) street vendors (informal sector) are those who carry out individual or group trading business activities which in carrying out their business use public places or facilities, such as sidewalks, public roadsides, and so on.

Income

According to Imam Ghozali and Anis Chariri (2014: 324) of the opinion that income can be considered as a company product, meaning something produced by the service potential (cost) owned by the company.

In PSAK 23 (2017: 23.1) it is stated that income arises from several economic events, such as:

1. Sales of goods
2. Sales of services
3. The use of certain assets by other parties, which will generate income in the form of: a. Interest, namely the charge for the use of cash or cash equivalents, or amounts owed to the entity b. Royalties, namely charges for the long-term use of the entity's assets, such as patents, trademarks, copyrights and computer software c. Dividends, namely the distribution of profits to equity investment holders in accordance with the proportion of their ownership of a certain model group. The income from these sources is named after the source of income. If the income comes from the sale of goods, it can be referred to as trade or business income.

If the income derived from the sale of services, it is called service income. The same is true for the company's income from other sources.

According to Sukirno (2006:47) income is the amount of income received by residents for their work performance during a certain period, either daily, weekly, monthly or yearly. The definition of income is defined by Sofyan (2002, p.58) as "gross increase in assets and gross decrease in liabilities assessed based on accounting principles originating from profit-seeking activities".

In the opinion of Sofyan Syafri Harahap (2011: 303), profit is: "Accounting profit is the difference between the realization of income derived from company transactions in a certain period minus the costs incurred to obtain that income".

According to Suwardjono (2010: 456), the characteristics of accounting profit are as follows:

1. Accounting profit is based on actual transactions, especially those originating from the sale of goods or services; 23
2. Accounting profit is based on the periodization postulate and refers to the company's performance during a certain period;
3. Accounting profit is based on the income principle which requires a special understanding of the definition of measurement and recognition of revenue;
4. Accounting profit requires measurement of costs in the form of historical costs
5. Accounting profit requires a match between revenue and costs that are relevant and related to the income.

Previous Research

Wahyuningsih and Anggun (2008) explained in their research entitled analysis of the impact of the increase in cooking oil on the frying business in the city of Bekasi, with the results of their research that Bekasi City is one of the cities in the Jababeka area that experienced the highest increase in cooking oil price, which is around 41.5% per kg. . The high increase in cooking oil prices in Bekasi City affects the condition of the cracker frying business in Bekasi City.

Muhammad Alwi (2017) in his journal entitled Islamic views on rising prices of basic commodities from time to time stated that the result was that when the price of cooking oil rose 53.33%, they still bought cooking oil, this proves that the increase in the price of basic commodities does not provide significant impact on the local economy.

Rizki Padilah (2022) in his writing entitled The Impact of Increasing Cooking Oil on Street Vendors, that in an interview with a street vendor (Kang Gunawan) said, "Hearing the news that cooking oil I was shocked and shocked, and was confused about the current situation, which was added In the pandemic, turnover has decreased drastically, plus this news of an increase in cooking oil prices made me even more confused at the time.

RESEARCH METHOD

This research is a qualitative research by describing the results of interview and observation in the field, the data obtained are several street vendors who produce their business using cooking oil as raw material. The object of this research is 129 street vendors in the red light district of Mangli, Jember Regency. Sources of data used are secondary data, while data collection using interviews and literature study. Population is a group of people or objects that have something in common in one or more things and that form the main problem in a particular research. The population is a group of subjects to be subject to, Singgih Santoso (2002).

According to Burhan Bungin (2011:149) said that the qualitative data analysis process is as follows:

1. the recording process that produces field notes, with which it is coded so that the source of the data can still be traced.

2. Collecting, sorting, classifying, synthesizing, summarizing and indexing.
3. Thinking, by making the data categories have meaning, looking for and finding patterns and relationships.
4. Make general findings.

Tabel 1.1 Street Vendor List

No	Sales Type	Number of traders
1.	Settled Meatballs	6
2.	Push Meatballs	11
3.	Assorted fried snacks	7
4.	Food stalls	19
5.	Lalapan Tent Trader	9
6.	Chips Trader	3
7.	Cilok Trader	7
8.	Toast Trader	3
9.	Martabak Traders and Moonlight	6
10.	Sedentary Sate Trader	7
11.	Push Sate Merchants	6
12.	Fried Rice Trader	5
13.	Fried Noodle Trader	7
14.	Crispy Fried Chicken Trader	4
15.	Sempol Trader	6
16.	Kocek spoon Traders	5
17.	Sosis and Tempura Trader	3
Total sample of Merchants		129

Source: Data Processed on 2022

RESULTS ANALYSIS

The results of several interviews produced during observations with street vendors in the field can be described as follows:

In conducting observations, the authors grouped respondents, namely several traders from the types of products sold and needed cooking oil as raw materials in producing selling products. The results of interviews between traders who have been grouped by type of product are as described below.

“Settled Meatballs Trader” one of them said that the increase in cooking oil affected the increase in nine other points, so that they had to be smart in managing the flow in purchasing materials. In selling meatballs, there are also fried foods as a complement to the dish and there is also fried tofu stuffed with meatball dough. So this increase in cooking oil makes production costs increase by about 37%.

“Push Meatballs Trader” Mr. Badrun also stated that at the beginning of the increase in cooking oil, which increased by around Rp. 2000, initially it had no effect, but when cooking oil rose by almost 50%, problems began, namely the decrease in customers and selling their merchandise every day. What was originally a day if traveling could sell more than 50 portions, it immediately dropped sharply to only 20 portions. This causes the traveling meatball seller to lose out on the cost of fuel and labor. How not to go around almost all day with sales of approximately 20 servings, fuel costs increase because they have to expand the area around the area so that the meatballs are sold. However, this group of push meatball traders still sells because there is no other job.

“Assorted fried snacks Trader” Hj. Siti Khotijah and H. Sulaiman said that their various fried businesses since the pandemic had started to quiet down compared to before the pandemic, this coupled with the increase in cooking oil prices, it was clearly quieter. Because most customers say that the priority now is to be able to fulfill the purchase of nine main staples of cooking oil. When the increase in cooking oil Hj. Siti Khotijah did not reduce the amount of fried food or it could be said that the quality remained the same, but the price was increased from the original price of Rp. 750 per fried, now it has increased to Rp. 1000 per fried. A 25% increase from the previous price, even though the profit earned is not the same as before the increase in cooking oil, even almost every day there are still fried foods left that are not sold, so instead of losing, they are given to the surrounding neighbors.

“Martabak Traders and Moonlight” one of them explained that the increase in cooking oil caused his business to decline both in terms of income and profit, how not to decrease when the price of cooking oil rose, we as traders are confused, in dealing with our products so that they can still sell. This is like eating buah simalakama, if I increase the price, the customer will protest or the price will be fixed but I will also reduce the size of the protest, it will be a hassle. Profit or income fell by more than 50% from the usual day before the price of cooking oil went up, there was even a colleague of mine who temporarily stopped trading because the results were thin. If I continue to trade, my expertise is only able to trade martabak and moonlight, yes, even though the results are thin, I still live the important thing is the kitchen is still bubbling.

“Fried Noodle Trader” Among them, Kang Wawan said that along with the increase in the price of cooking oil, other prices also went up. What is clear is that my income and profits have also decreased by almost 50% more. The problem is not only the increase in the price of cooking oil, this is a problem that arises again due to the increase in cooking oil, namely the scarcity of cooking oil. If cooking oil goes up, we as traders can still buy it even if we don't get the cooking oil supply as usual. However, the price of cooking oil goes up and the goods are hard to come by, so I sometimes sell sometimes not, because there is no oil for frying the raw materials.

“Cilok Trader” Mr. Har complained, since the increase in the price of cooking oil my customers are running out every day, this has an impact on the economy of my family, the pandemic is quiet because students don't go to school, this is coupled with the rising price of cooking oil and other basic needs, this causes us little people to be increasingly difficult. If you want to change jobs, you don't have the capital to start another business, besides that this cilok trade is also a family heritage job and everyone who helps me make cilok is also a family, so I can feel the impact of the rising price of cooking oil. My desire to find another job is constrained by my old age and it is impossible to work hard, besides that, who would accept someone like me to work as a coolie, for example.

“Lalapan Tent Trader” One of the lalapan rice traders, Ibu Ria, suggested that the increase in the price of cooking oil not only made her business decline but made her business go bankrupt, aka out of business, how could this increase in fried prices not be followed by an increase in the raw materials for the products I sell, I sold out of stock of these ingredients After everything was finished, I stopped selling first, because I didn't have to demand the same production costs, aka overdrawn. Maybe I'll find another job, such as an ironing worker or a domestic assistant, the important thing is that I can earn money for daily meals and school fees for children.

INTERPRETATION

From the results during the researchers conducted interviews, there were many factors that required street vendors to keep running their business even though the price of cooking oil skyrocketed. Some of these factors include:

1. The most important factor is because there is no more work that can replace in earning a living.
2. Business capital factor, street vendors cannot change products or change businesses due to lack of capital.
3. Experience factor, where this experience is used as a weapon for street vendors that they believe there will be a decrease in the price of nine basic commodities, especially cooking oil in the future.
4. Obligation factor, street vendors who on average have families, so like it or not they continue to sell the same product because of the obligation to provide for the family.
5. The skill factor, in this case the expertise or skills possessed by street vendors only have expertise in trading products that have been occupied for a long time.

The results of the study The effect of increasing cooking oil prices on the income and profits of street vendors, especially in the Mangli red light intersection area, Jember Regency, the average income of traders during the increase in cooking oil prices decreased by almost 40%, with the profits obtained also smaller, which decreased by around 50 % than usual so that it affects the condition of the business. Empirically, the findings of this study support the results of research by Wahyuningsih and Anggun (2008). In addition, other impacts caused by students while working include:

1. Lonely or reduced customers
2. Productivity decreases
3. The increase of nine other staples.
4. Deteriorating business conditions
5. The temporary cessation of running his business is the same as waiting for the price of cooking oil to return to normal as before.
6. Switch professions or no longer run the business that they have been involved in

CONCLUSION

Based on the results of the study, the conclusion that can be drawn is that the effect of rising cooking oil prices on the income and profits of street vendors, especially in the Mangli red light intersection area, Jember Regency. Very sharp income is reduced by an average of 40% of the usual income. Meanwhile, the profit/profits obtained by the street vendors on average experienced a decrease in profits or profits of more than 50%. This means that the effect caused by the increase in cooking oil is quite significant in its role in getting the income and profit/profit expected by street vendors.

In addition to the decrease in income and profits / profits obtained, other influences arising from the increase in cooking oil include the decrease in customers every day, many customers who are reduced in buying street vendor products, because they are more concerned with buying products that are more important in this case are nine staple. With declining business conditions, street vendors switch professions, some even stop trading or stop temporarily waiting for cooking oil prices to recover as before.

IMPLICATION

Based on the research above, it is hoped that there will be beneficial impacts for the parties concerned, the implications that arise include:

a. Theoretical implications

The government's policy in increasing the price of basic materials affects the income and profits obtained by business actors, because in carrying out the production process there are additional costs for raw materials. The income of a business is strongly influenced by the level of people's purchasing power, the higher the people's purchasing power, the higher the income generated by business actors. While profits / profits are influenced by the rise and fall

of production raw materials, the higher the price of production raw materials, the smaller the profit that will be obtained.

b. Practical Implications

The results of this study can be used as a view of micro, small and medium business actors in running a business amidst the increase in production raw materials. In addition, it can also be used as an alternative or a way to survive to exist so that the business continues to run when raw materials increase. In addition, it is also a consideration for the government in making policies, especially the issue of increasing food staples.

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