

IMPROVING THE COMMUNITY ECONOMY THROUGH UMKM GINGER CRIPS BUSINESS IN RACEK TIRIS VILLAGE, PROBOLINGGO

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Abstract :

sugar, ginger, coconut and sesame. Making ginger chips uses the traditional way and requires patience, because the manufacture is quite difficult and requires painstaking, so many people prefer to buy rather than make it themselves. However, this is a big opportunity for ginger chip makers, especially during the month of Ramadan. One of the villages that produces ginger chips is Racek Village. The ingredients for making ginger chips themselves are almost self-harvested, such as coconut and ginger, compared to buying them at the market so that local people use their land. The type of research used in this research is descriptive research using a qualitative approach. The results of this study can be concluded that the business of making ginger chips is reducing unemployment for housewives, and can increase the economy of the people of Racek Village, besides that the natural resources found in Racek Village can be put to good use. and the existence of a ginger chip business in the village of Racek not only improves the economy experienced by the ginger chip makers, but also improves the economy of the surrounding community.

Keywords : MSMEs, Ginger Chips, Community Economy

INTRODUCTION

In 2013, the number of Small and Micro Enterprises (SMEs) in Indonesia was 57,895,721 units. Of this number, 57,189,393 units are micro sector businesses or around 98.77% of the total number. In the 2012-2013 period, it can be seen that there has been an increase in SME units in Indonesia, namely 1,361,129 units or 2.41%. The contribution of SMEs to national income is shown by the increase in National Gross Domestic Product (GDP) at constant prices in 2000 amounting to 85,458.5 or around 5.89%. In the same year, the workforce successfully absorbed increased by 6,486,573 or around 6.03% (KKUKM, 2016).

In the modern era and digitalization, people are playing a more active role

in the business world, especially MSMEs. Micro, Small and Medium Enterprises (MSMEs) in villages are seen as having good future prospects. The benefits of Medium and Small Micro Enterprises (MSMEs) in villages for the regional economy are increasing income, empowering the community, especially women, gaining entrepreneurial experience, reducing unemployment in the village, strengthening a sense of togetherness, developing community potential, developing previously existing businesses, and fostering a sense of community. want to progress and so on.(Sitepu, 2016) This is supported by network connectivity which is getting better from year to year. Business is an organized individual activity to make a profit or sell goods and services in order to make a profit and meet the needs of society.(Yunitasari, Khatimah, & Somaji, 2020) So currently there are many business opportunities that can be obtained from any source, the products produced are various, both in terms of food, drinks and goods. Not only that, the community also takes the initiative in developing its products.

Indonesia is an agricultural country located in a tropical region with a large diversity of plants. There are many benefits that can be obtained from this diversity, so that many Indonesians work as farmers. According to Amar Mahmud (2016: 178), it is this agricultural sector that continues to be developed at this time with the aim of meeting food and nutritional needs and increasing (welfare) society.(Aripin, Febrianto, & Jadid, 2022) Natural production factors relate to everything that is available in nature, which can be utilized by humans according to their sacrifices. Natural production factors are also related to sources of industrial raw materials which are natural products both at sea and on land. All these natural resources are not available by themselves, but have been regulated by Allah SWT. Weather, climate, rainfall, dry seasons, cannot be separated from His arrangements.(Studi, Ekonomi, Muamalah, & Al-jawami, 2018) The ginger plant is a plant that is well known among Indonesian people as a medicine and spice. Ginger has a shape resembling a finger joint with a warm and spicy taste. And it has several benefits, including being able to warm the body. According to Santoso (2008) states that ginger is efficacious for treating impotence, coughs, aches, headaches, rheumatism, back pain and colds.(Dhofier, 1982) Apart from that, ginger can be processed into food and drinks, including as snacks, namely ginger chips.

Ginger chips are a food made from sugar, ginger, coconut, sesame. Making ginger chips uses traditional methods and requires patience, because making them is quite difficult and requires painstaking work, so many people prefer to buy them rather than make them themselves. However, this is a big opportunity for ginger chip makers, especially during the month of Ramadan, during the month of Ramadan the demand for ginger chips increases to the point

that a day can consume 50 kg of granulated sugar. One of the villages that produces ginger chips is Racek Village, almost every household produces ginger chips with different marketing. The ingredients for making ginger chips are almost self-harvested, such as coconut and ginger rather than buying them at the market. So local people use their land. This is a big opportunity for ginger chip makers in producing them. Usually five months before the month of Ramadan, some people in Racek village plant ginger first, because it is certain that the price of ginger will rise as well as coconuts due to the increasing demand for ginger chips, so the people of Racek village continue to develop their production from year to year.

Research conducted by Shorea Khaswarina (2015) entitled "Analysis of the Ginger Chips Agroindustry Business in Kota Raya Village, Rengat District, Indragiri Hulu Regency." states that the "Gingerku" chips agroindustry is an agroindustry that is able to survive amidst the increase in the basic price of ginger and is able to meet market demand, especially in the surrounding area. The net income obtained from the "Jaheku" business is IDR 2,434,000 every month. The total production of ginger chips is 360 packs, while the revenue for the "Gingerku" business is IDR 5,400,000

Based on the background above, where several studies have stated that there is a lack of information on research results about ginger chips and the economy, this research seeks to deepen the improvement in the community's economy from the business of making ginger chips. So the author is interested in knowing clearly about improving the community's economy through the ginger chip business in Racek Tiris Probolinggo village.

Ginger chips are a food made from ginger, and have a sweet and slightly spicy taste, so when you eat them you will feel warm. This ginger chips business is an MSME that has been passed down from generation to generation. And is one of the typical MSMEs in Probolinggo Regency / City. These ginger chips are often found when Eid approaches. It is still made using traditional methods. One of the famous brands of ginger chips in Probolinggo is Fajar ginger chips produced by Fajar Anisa at a price of IDR 13,000 per pack. Along with time. These ginger chips MSMEs have become a source of opinion for several community members, by making them and then depositing them (selling) to big figures who sell typical Probolinggo MSME products. (Eko-syariah & Mufid, n.d.)

In some areas, some people call them wijen ginger chips. Because there is a sprinkling of sesame seeds on top of the chips. These ginger chips are an MSME business that operates in the traditional culinary sector. This culinary business, because the content of the ginger plant is good for maintaining the health of the human body, and also innovates food with spices that are very beneficial for the body. This MSME business uses local ingredients that are easily available,

including ginger, wheat flour, cornstarch, eggs, powdered sugar, baking powder and sesame.

The advantage of this ginger chips MSME product is that not many people sell this food and the main ingredient is ginger which is very beneficial for the body, such as overcoming digestive problems, reducing pain, helping the detoxification process and preventing skin diseases, protecting against cancer, fighting infection, improving circulation. blood, relieve stress, etc. Another advantage is that the price of this product is quite affordable for all groups of people, because the materials used are local.

Small and Medium Enterprises (MSMEs)

MSMEs are small businesses owned and managed by individuals or small groups of people with large assets and income both in rural and urban areas. Facing increasingly advanced developments such as today, a company or MSME must be able to adapt to current developments so that the company can survive, continue to develop and compete with the competition. (Mardianto, Simatupang, Hadi, Malian, & Susmiadi, 2016)

SME Performance in Indonesia

The role of SMEs as a strategic sector in the people-based national economy in Indonesia can be seen from the contribution of the small and micro business sector to the National Gross Domestic Product (GDP) in 2009-2013 as follows:



Figure 1: graph of total MSME GDP for 2008 - 2013

Source: 2015 KKUKM Annual Report processed by researchers

Based on the data in Figure 1 above, the contribution of SMEs tends to always increase both in GDP during that period, as well as GDP at constant prices in 2000. (Susana, Pembiayaan, & Bank, 2011) In micro businesses, the increase in contribution to National GDP is higher compared to small businesses. However, increasing GDP from year to year does not necessarily reflect that MSMEs always experience success. The MSME GDP growth rate indicator is quite important for

assessing how successful the MSME sector is in achieving community welfare.

The SME sector plays a strategic role as a dynamist of economic growth in facing crisis and post-crisis turmoil. This is because the SME sector is a labor-intensive industry, not capital-intensive, so it is able to survive fluctuations in the national and world economy. Singgih (2007) stated that SMEs have an important role, including: (1) as the main actor in economic activities; (2) the largest provider of employment; (3) an important player in developing the local economy and empowering the community; (4) creating new markets and sources of innovation; and (5) its contribution to the balance of payments.

Based on the statement of the Chairman of the CIDES (Center for Information and Development Studies) Development Council, Rohmad Hadiwijoyo, there are three factors that make small and micro businesses resilient to crises, including (1) generally SMEs produce consumer goods and services that are close to community needs, so that people's income the decline due to the crisis does not have a too significant effect on the demand for goods and services produced by SMEs; (2) SME business actors generally utilize local resources, whether for human resources, capital, raw materials or equipment. This means that most of SMEs' needs do not rely on imports; (3) Generally, SME businesses are not supported by loan funds from banks, but rather by their own funds. This condition means that SMEs are not affected when the banking sector slumps or interest rates soar. (Harventy, 2020)

Utilization of Local Products and Potential

The SME sector, which is the basis of the people's economy, often utilizes local products or potential. This condition is in accordance with the government's efforts to strengthen local economic resilience through various policies, such as the Agropolitan area and the Minapolitan area. The Agropolitan area is an integrated agricultural area with agricultural activities supported by value added activities in it by utilizing local products, while the Minapolitan area is an integrated area for the development of the marine and fisheries sector along with additional value activities. Both are government efforts to strengthen the potential economic base of people in marginal areas. (A Febrianto, Widad, & Aini, 2022)

Business Management and Innovation

Business management is one of the keys to success in developing MSMEs. One of the causes of unprofessional business management is a lack of knowledge about business management. Therefore, highly educated workers are needed so that business management can be carried out effectively and efficiently. Effective and efficient management can be achieved when the management of small and micro unit businesses can be separated from the needs of the managing household, both in terms of finances and business operations.

Innovation is really needed so that SME products are able to compete and

adapt to existing trends. The SME sector, which usually operates on the use of local products and potential, which is not supported by professional capabilities, will reduce the scale of production. This is because there are foreign products entering the domestic market that offer various kinds of innovations with competitive price variants, so consumers will very likely turn away. The lack of innovation in SME products is caused by minimal development efforts or almost no costs for Research and Development (RnD) activities. The high RnD costs are the reason why the SME sector rarely innovates.

Improving the Community Economy

The current era of information technology, digital and social media is very beneficial for MSME players to develop their business and increase their income. MSME product innovation is very important for MSME owners to create products that are highly sought after by consumers. MSMEs can grow very quickly through creative ideas, innovation, technology implementation and good use of social media. (Ahmad Febrianto, Muhtadin, & Riadi, 2022)

Several studies regarding improving the community's economy have been carried out by several researchers in several ways, one of which is by empowering the community through existing MSMEs and carried out by traditional MSME owners. Risca Nur Fadhilah et al (2023) in their research made efforts to improve the economy of MSMEs in Ambulu village, Sumberasih subdistrict, Probolinggo district through a financial bookkeeping system for MSME owners. In this research improving the community's economy is carried out through the MSME ginger chip business.

RESEARCH METHOD

The research entitled "Improving the community's economy through the ginger chip business in Racek Tiris Probolinggo village" uses descriptive research using a qualitative approach. Qualitative research explains the phenomena experienced by research subjects such as behavior, perceptions, motivation, actions, etc. holistically and by means of descriptions in the form of words and language, in a special natural context using various natural methods. (Rachmawati & Rismayani, n.d.) The data collection techniques used in this research are: observation, documentation, interviews. According to Sugiyono (2016) data analysis is the process of systematically searching and compiling data obtained from interviews, field notes, and other materials so that they can be easily understood and the findings can be informed to other people. (Susanti, 2013) This research uses the technique of determining informants using the purposive technique. The purposive technique is a technique for sampling data sources with certain considerations, for example the person is considered to know best about what we expect. Interviews were conducted with several informants with the aim of exploring information on

problems that occurred regarding the existence of Micro, Small and Medium Enterprises in Racek Village, Tiris District, Probolinggo Regency. Informants included: Village Head, 3 Ginger Chip Business Actors. In this research, the researcher used informants consisting of:

Table 1
Key Informant Data

No.	Informant's Name	Information
1	Mr. Hosnadi, SH	Racek village head
2	Mr. Wahyudi	Village officials
3	Mrs. Jun	Ginger chips maker
4	Ms. Sulastri	Ginger chips maker
5	Tuyati's mother	Ginger chips maker

Source: processed by researchers

FINDINGS AND DISCUSSION

Racek Village is a village located in Tiris District, Probolinggo Regency. This village has 11 hamlets. One of the hamlets in Racek Village is Kluwangan Hamlet. Residents of Kluwangan Hamlet have several MSMEs that support economic growth in Racek Village. Some MSMEs are still relatively simple, managing processed production on a small scale. Some of the products produced include: Ginger Chips, rengginang, cassava crackers, banana chips, cassava chips. Some of these small industrial products are to support business continuity.

The ginger chips business in Racek village, more precisely in Kluawangan hamlet, is an old business. From information obtained by researchers from one of the residents who produces ginger chips, namely Mrs. Jum, who has been producing ginger chips for a long time, approximately 5 years. He only produces ginger chips during the month of Ramadan, apart from that he works as a farmer, even though only producing ginger chips during the month of Ramadan can help improve his family's economy so that the business can survive to this day. This is not only felt by Mrs. Jum, but also by the people who produce ginger chips, as in the interview with Mrs. Tuyati as follows:

"Yes, in my opinion, it has increased because here coconuts used to not sell, but now they can. Ginger didn't sell before, but now it usually sells. In essence, with the presence of ginger chips, this has increased because items that didn't sell are now selling."

This ginger chip business received feedback that it had a positive impact on ginger chip makers. So what makes the ginger chip business survive to this day is the large demand during the month of Ramadan until the holidays. Apart from the month of Ramadan, the ginger chip business is rarely in demand, this is because during the month of Ramadan many people request ginger chips to make souvenirs for their families when they return home. Apart from the positive impact, there are also obstacles encountered by ginger chip makers in marketing

ginger chip products, including the large number of competitors lowering each other's prices, and unattractive packaging which is also a consideration for buyers.(Indarti & Wardana, 2013)

The results of research conducted by Shorea Khaswarina (2016), stated that the ginger chips agro-industry was able to survive despite the increase in ginger prices, the net income obtained from this business for the production of 360 packs was IDR. 2,434,000 every month. From here we can see that with the ginger chips business activity, the income of business actors will increase. Increased income will be able to improve the economy (income) of the community, which will ultimately improve community welfare.

The results achieved from the business of making ginger chips are reduced unemployment for housewives, and can improve the economy of the Racek village community. Apart from that, the natural resources found in Racek village can be utilized well, such as coconut and ginger. processed into good snack ingredients that can be marketed.

CONCLUSION

In Racek Village, Tiris Probolinggo District, there are several MSMEs, one of which is the Ginger Chips MSME. Based on the background and results of the research we conducted, the researchers concluded thatThe existence of a ginger chip business in Racek village not only improves the economy for the ginger chip makers, but also improves the economy of the surrounding community. and with the existence of a ginger chips business in Racek village, the natural resources (ginger plants) found in Racek village are put to good use by community members in the form of processed food. As well as withThis business of making ginger chips can empower housewives. Which ultimately can improve the welfare of village residents.

For local governments and local communities to continue to improve the quality of ginger plants so that prices are competitive, village communities must start planting and cultivating ginger plants. Especially ginger which has a strong and spicy taste (ginger emprit). So that the HPP is small, so that the profit margin for ginger chip MSME owners is bigger. And for MSME owners of ginger chips, they can use social media to introduce these MSME products. as well as carrying out a contemporary packaging revolution, so that the appearance of MSME products becomes more attractive and accepted by the middle and upper classes of society.

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