

## **Study of Entrepreneurial Capital and Economic Education Aspects in Entrepreneurial Decision Making Food Street Vendors at Losari Beach Area, Makassar City**

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(Received: 12 January 2022; Revised: 15 February 2022; Published: 28 March 2022)

### **ABSTRACT**

This study aims to determine the entrepreneurial capital and economic education aspects of street vendors at the Losari Beach area of Makassar City. This study uses qualitative methods, using data collection techniques with observation, interviews and documentation. With the data collection techniques above, the educational aspect of street vendors in the Losari Beach area of Makassar City is one of the factors that support entrepreneurial success, with the assumption that better education will provide knowledge of street vendors in managing their business. Meanwhile, in terms of entrepreneurial capital, it shows that the distribution of capital by the government has not been completely evenly distributed to traders in the Losari Beach area and this capital is very important to support the smooth running of the street vendors.

Keywords: *entrepreneurial capital; economic education; entrepreneurial decision making; street vendors.*

### **INTRODUCTION**

The relationship between rural and urban areas in Indonesia, like other developing countries, has resulted in the emergence of the formal sector and the informal sector in economic activities. Urbanization as a very prominent phenomenon in Indonesia does not only bring positive things, but also negative things (Pratiwi, 2010). Indonesia has one of the highest urbanization rates in East Asia, and 32 percent of the poor live in urban areas. Most of the poor people in these urban areas work in the informal sector, where the growth of this sector has exceeded the formal sector.

Makassar City is one of the cities in South Sulawesi and is also included in the third highest poverty level (South Sulawesi Central Statistics Agency, 2018). Communities classified as experiencing poverty force them to find a way out for their survival (Elfa, 2020). The area has residents who have various professions or occupations. One of the jobs that the people of Makassar City do is trading or selling in the Losari Beach area. This was done because life in the city was not easy, so they decided to become

street vendors. Street vendors or commonly abbreviated as PKL is a term to refer to merchants who carry out commercial activities or entrepreneurs.

The definition of street vendors are people who with relatively little capital carry out production activities in a broad sense (production of goods, selling goods and providing services and meeting certain needs in the business community which are carried out in places that are considered strategic and economical in a favorable environment). (Duwit et al., 2015). However, the local government's lack of attention in the management of street vendors who have not been empowered properly and there is still a lack of attention to how to empower them in the form of providing capital. The process of empowering hawker traders in Makassar City is interesting to be explored intensively. In general, business locations are concentrated in several strategic areas with a high level of consumers, traders tend to group in managing businesses with various types of food and beverages, such as those found around Losari Beach, Makassar City.

The aspect of knowledge is one of the most important in this era of the creative economy. The results of research conducted by Hasan (2012), related to the characteristics of small industrial workers or street vendors, show that they have the characteristics of utilizing the economic knowledge they have, both formally and informally obtained in carrying out industrial activities. One of the street vendors named Faizal (Results of interviews and observations) responded that in making entrepreneurial decisions in the Losari Beach area, Makassar City requires capital to support business success. From the results of the initial observations made by the researcher, it is illustrated that the factors that influence the decision making of entrepreneurship of street vendors in the Losari Beach area of Makassar City: such as aspects of economic education and entrepreneurial capital.

According from this description, researchers are interested in conducting research with the title "Study of Entrepreneurial Capital and Aspects of Economic Education in Making Entrepreneurial Decision Making of Street Vendors in Losari Beach Area, Makassar City.

### **Entrepreneurial Capital**

In the field of entrepreneurship, it refers to the spirit, attitude and behavior as role models in the courage to take calculated risks based on their own will and abilities (Thobias, 2013). Capital is a factor that has a fairly important role in the production process, because capital is needed when entrepreneurs want to establish a new company or to expand an existing business. In accordance with the characteristics of the scale of their business, MSMEs do not require a large amount of capital (Ashari, 2017). Overall business capital is divided into 3 parts, namely: Investment Capital, Working Capital, Operational Capital (Purwanti, 2013).

### **Aspects of Economic Education**

The aspect of education is considered to have the most important role in determining human quality. Because through education, humans are considered to gain knowledge, and with this knowledge humans are expected to be able to build a better life existence so that we get to know competency-based curriculum and or life skills. In current conditions, the study of economics considers that understanding or knowledge of economics is a very important aspect (Walstad, 1997; Blendon, et al., 1997; Gerardi, et al., 2010, Hasan, 2018).

Education has an important role in the development of the whole person and the development of Indonesian society as a whole. Human development must be carried out as a whole, which includes the development of thinking power, heart power, physical strength, and mastery of science, technology, art and sports (Slamet, 2011).

Education in the family according to Law No. 20 of 2003 on the national education system is an informal channel. The low level of education of the head of the household, will have an impact on the informal economic education process that occurs in the family, especially those related to economic interaction and transformation which includes planting the concept of economic education in the family and the formation of good economic attitudes and behavior. Indicators of Economic Education Aspect (Siswoyo et al., 2015): (1) Habituation of economic behavior in everyday life, (2) Real example in daily economic activities, and (3) Explanation of economic problems

### **Decision-making**

Decision making is a result of problem solving, the answer to a question as the law of the situation, and is the selection of one alternative from the existing alternatives, as well as the termination of the thought process about the problem or problem at hand. The result of decision making is a decision (decision). Decision making in the aspect of an environment of uncertainty for real-world problems is a complex task (Zahra et al., 2019). Decision making has two functions, namely: the starting point of all conscious and directed human activities, both individually and in groups, both institutionally and organizationally, and something futuristic, meaning that it has to do with the future, the future. effect or the effect lasts long enough). The purpose of decision making, namely: a single goal, occurs when the resulting decision only concerns one problem. Decision making according to Lipursari (2013) is based on the following five things: (1) Intuition (feelings), (2) Facts, (3) Authority and (4) Rationale.

## **METHOD**

The approach used in this research is a qualitative descriptive approach. Qualitative descriptive research, namely the data collected in the form of words, pictures, which are not in the form of numbers. Qualitative research methods as research procedures will obtain descriptive data, namely a study that seeks to provide an overview of the object being observed or studied, or a type of research that aims to make descriptive or systematic and actual descriptions of the facts in the field. Where the data obtained from the field by conducting observations, interviews and documentation. The subjects in this study were street vendors in the Losari Beach area of Makassar City

The object of research is informants who are street vendors. Determination of informants in this study using Snowball Sampling, which was carried out in stages with in-depth interviews. In its application, the snowball sampling technique has advantages and disadvantages. To achieve research objectives and facilitate its implementation, an efficient and effective strategy is needed so that research does not take up too much time. The informants consist of several street vendors, namely: (1) Traders who have been selling for more than 1 year and (2) Traders who are over 22 years old.

## **RESULT AND DISCUSSION**

Population is one of the most important factors in relation to the implementation of development. The population is one of the important indicators in a country (Mustika, 2011). It can even be said that this population occupies the most important position because development itself is a human effort and for the benefit of the human being concerned. It is a common assumption that every administrative area must have residents living and living in that area. In this informant profile by the researcher, it is based on a description of the identity of the informant which is adjusted to the criteria in determining the subject or informant that supports the obtaining of continuous research results with the realities that occur in people's lives.

### **Level of education**

Based on the results of the research, data has been obtained showing that the informal sector street vendors in the Losari Beach area of Makassar City vary greatly in education levels. At the SD/equivalent level, there are 1 person for high school, 1 person and 3 people for S1. Based on the table above, it can be concluded that the street vendors in Losari Beach, Makassar City are generally educated, in general they can be categorized as having sufficient education for a street vendor business that does not require certain skills in its management. This study has similarities with the results of research conducted by Rahayu (2015) in Kebumen Regency, the majority of street vendors are only elementary school graduates.

## **Age Composition**

After knowing the above, it is also important to know the age composition of the street vendors. that 2 people aged 22-24 years, 2 people aged 25-30 years, 1 person aged >30 years. It can be concluded that the informal sector businesses of street vendors in the Losari Beach area of Makassar City are managed by people who are arguably still very productive.

## **Conditions Aspects of Economic Education**

Listening to the results of interviews in this study regarding aspects of economic education that education is one aspect to find out the background of the life of street vendors. In the context of informal economy education, knowledge transfer in family business begins with an attentional process (the first cognitive learning process).

At this stage, children will pay attention to entrepreneurial activities shown by parents as models. This process requires the involvement of children, so they must be with the parents at the place of business. The activities exhibited by parents, especially those related to customers, are not only to be heard, but must be observed and considered by individuals as their own experience (Hasan, 2018). In supporting social life, education is one of the important factors to ensure the quality of human resources (HR). The level of education will affect the mindset, behavior patterns and social interactions of a person as part of community members in carrying out activities to support their needs.

The education of street vendors is mostly Strata-1 (S1) graduates, which are 3 people, 1 high school graduate and 1 elementary school graduate. It can be seen that the street vendors who trade in the Losari Beach area of Makassar City have diverse knowledge and are able to survive in various conditions.

## **Reasons for Choosing a Business**

Street vendors are certainly familiar in everyday life, everywhere we can find those who sell street vendors. In other words, this business can be done by anyone regardless of their background, as long as they have perseverance and patience. As mentioned above, the culinary business has always been an attraction in itself because the capital is relatively cheap. This is the reason why the street food business is a very promising business opportunity. Research conducted by Widjajanti (2012) found the phenomenon behind the street vendors entrepreneurship as a lifeline for their families, similar reasons have similarities with this study which became the basis for choosing as traders street vendors in the Losari Beach area of Makassar City, which is to make this business a livelihood to support their families, who are mostly lower-middle class. According to Hasan et al., (2019) entrepreneurial behavior includes: (1) seeking and taking advantage of opportunities, (2) taking the initiative to make things happen, (3) solving problems creatively, managing, (4) being independent, (5) being responsible, (6)

building networks effectively, (7) managing things creatively, and (8) being able to take into account various risks.

### **Initial capital**

The results of this study indicate that the business of street vendors in the Losari Beach area of Makassar City started from a relatively small capital, namely from a capital of Rp. 200,000 up to a capital of Rp. 600,000. From the facts above, it can be concluded that these businesses characterize small businesses that have relatively small capital as a characteristic of the informal sector of street vendors. The level of income is used as an indicator that is widely used to see development in general. The high and low level of income will affect the attitude of the community in regulating the economic behavior of the community itself. The results of this study are similar to the research conducted by Duwit et al., (2015) which analyzed how street vendors in the city of Manadi tried to open their businesses with very minimal capital. The level of income can cause the dynamics of social life in the community of a region, is also an indicator that looks at the socio-economic conditions of the community. Based on the results of the research, street vendors have different incomes. Their income may increase depending on the atmosphere in the Losari Beach area.

### **Business Capital Assistance**

Capital is one of the determining factors that has an important role in the production process, capital is needed when entrepreneurs want to establish a new company or to expand an existing business, without sufficient capital it will affect the smooth running of the business, so it will affect the income earned (Dewi & Utari, 2014). The most appropriate effort is to encourage entrepreneurship in Indonesia by providing business financing assistance. From the results of the interviews, there were some capital assistance they received from the government, one of which was in the form of a place of business. Meanwhile, some of the street vendors in the Losari Beach area have never received capital assistance in the form of goods or funds. Regarding business capital assistance, traders in the Losari Beach area are also provided with facilities provided by the government, namely stands in the Losari Beach area.

### **Street Vendor Decision Making Conditions Measured Through Profits Earned to Meet Survival**

From the results of interviews, that being a street vendor has enough advantages to meet one's survival. The profits obtained by street vendors in the Losari Beach area vary, even one trader who is able to finance himself to continue his education in college from the results of his efforts to become a street vendor. The results of this study have a similar

phenomenon that occurred in Bengkulu Regency in Puspita's research (2019), namely the net income obtained during years of entrepreneurship as street vendors is able to make the economic condition of a family much better than before.

## CONCLUSION

The age of business managers in the informal sector of street vendors in the Losari Beach area of Makassar City is managed by people who are still classified as productive age and very minimal who are classified as elderly. Departing from the relatively small income received, the business costs incurred are also very minimal, so The income received is only sufficient to meet the needs of daily life, even if there is more it is very small. The level of education and understanding related to entrepreneurship is still very minimal, considering that the quality of the latest education possessed by these street vendors is still very low, thus hampering the process of business innovation.

It is hopes that the government should be able to pay attention to the informal sector businesses as well as other business sectors, both in the form of business capital, facilities, human resource development, as well as in the form of licensing. All components of society are expected to provide support to informal sector businesses, so that these businesses can be developed.

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