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THE INFLUENCE OF YOUNG CHINESE ENTREPRENEURSHIP IN MEDAN CITY DEVELOPMENT

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ABSTRACT

This study aims to describe how young Chinese entrepreneurship influence Medan City's economic development based business growth. This is a quantitative descriptive, with multiple linear regression study methods using SPSS analysis ver.17. The findings showed that young Chinese entrepreneurship had a significant positive impact on Medan city economic development and a significant value of 0.000, with a 74 percent level of young Chinese entrepreneurship development in Medan (Business Growth: 76 percent).

KEYWORDS: *Young Chinese, Entrepreneurship, Economy development*

INTRODUCTION

In a regional development context, Medan City is the capital of the North Sumatra Province, the biggest town on the island of Sumatra and the third biggest town in Indonesia. As one of the big cities, Medan City's function and configuration are very substantial and strategic both regionally and nationally. Medan City is a city that is one of the barometers of national economic growth, so Medan's economic development is certainly a major primary concern in its development planning. Then economic activity will become an influential phenomenon that is part of the dynamics of people's lives, particularly entrepreneurial activities.

Medan City's population consists of various ethnic groups. Medan City is presently populated by a variety of ethnic groups, including Karo, Malay, Simalungun, Pak-Pak, Toba Batak, Mandailing, Chinese, Angkola, Tamil, Bengali, Javanese, etc. Medan City's variety makes Medan City known as a peaceful and harmonious multicultural city (Waspada, 2007). The Chinese were the largest

ethnic groups in Medan in the 1930s and even exceeded the indigenous of Medan. Chinese in Medan City has declined along with the times, although it remains one of Medan's largest ethnic groups.

Initially, the Chinese enter the city of Medan, a plantation area in Deli and its surroundings were created by the Dutch colonial government, which was founded in 1863 by Jacob Nienhuys. Chinese people who are making up only 8% of Medan's population have been able to control this city's 58% commercial industry. The distinction between Chinese entrepreneurs in Medan and other cities is sing yong or trust while accessing agreements is now free to those who create a market economy.

Medan City has many shopping or business centers in the development of economic activities, including Central Market, Sambas Market, Ular Market, Halat Market, Medan Mall, Olympia Mall, and Yuki Simpang Raya. With a big Chinese ethnic population and very diverse trading places in the city

of Medan, it is worth examining how the two influence each other.

OBJECTIVES OF THE STUDY

This study aim to analyze how young chinese entrepreneurship, based on business growth, can influence regional economic development in Medan city.

RESEARCH METHODOLOGY

Medan city is the focus of the study location, administratively it is a sub-district. The research population was Chinese young entrepreneurs aged 16-30 and a sample of the total number of entrepreneurs in Medan city was 95 participants.

Data acquired through surveys and questionnaires. Secondary data were acquired from various organizations such as the Medan City Cooperative and SME Office, the Medan Market Regional Corporation, the Youth and Sports Agency, the Regional Planning Agency, the Medan City Statistics Agency and the Medan City BPD Indonesian Young Entrepreneurs Association (HIPMI).

LITERATURE REVIEW

Influence theory

Influence theory according to the Indonesian Language Dictionary (KBBI) is the ability that functions and derives from something (person, thing) that helps build one's character, values or actions. Surakhmad (1982: 7) states that impact is the ability that derives from an object or individual and also the internal phenomena that can influence what is around him.

From these views, the influence is a power or pressure that comes from something, both people and objects, and everything that appears in nature so that it influences what is around it. Authority and influence have a very close relationship, that is, if someone has authority then he can influence the other party to carry out his will like the "legitimate ruler" and "influence" orders what might follow.

Entrepreneur

Indonesian Dictionary (2007), describes the meaning of entrepreneurship as intelligent or talented individuals acknowledge new products, determine how new products are managed, handle new product procurement activities, market new products and handle their working capital.'

Entrepreneur according to Sunarya, et al (2011) is someone who chooses to start a business, as a franchisor to become a franchisee, grow a company, borrow cash to create the new product or promote a fresh service, and act as a manager and risk-taker.

According to Kasmir, (2014) entrepreneurs are individuals who dare to take risks in varying possible opportunities to open up businesses. Having the courage to take risks indicates being mentally independent to start a business, without even under uncertain circumstances being overwhelmed by fear or anxiety.

Youth

Referring to the Youth Law No. 40 of 2009, youth are Indonesian citizens entering a significant period of growth and development between the ages of 16 (sixteen) and 30 (thirty) years. Young people are individuals with dynamic characters, even volatile and optimistic, according to Abdullah (1974), but do not yet have stable emotional control. A period of social and cultural change is experiencing by young people.

Youth role

A role is an action taken by someone in a circumstance, according to the Indonesian General Dictionary (2007). The role is a position's dynamic aspect.

The role is a dynamic aspect of the position, according to Soekanto (2003). If according to his position, an individual fulfills his rights and responsibilities, he takes a role. Then it can be understood that the role is a dynamic aspect in the form of actions or behavior performed by someone who, under his position, holds and performs his rights and responsibilities.

Chinese in Medan City

Chinese Medan City emigrants varied and entered at various points in history. The first phase started in the 15th century when the Chinese trade ships arrived to visit East Sumatra's port and establish business relationships with the barter system. This partnership lasted a long time, so in East Sumatra, some of the traders lived (Lubis, 1995).

In the 19th century, the Chinese were able to monopolize the entire transportation industry in the Deli land region with the support of the Dutch East Indies government and businessmen in Deli Land. Many plantation owners provide all the chance for Chinese people to become food suppliers and work on plantations as contractors. Then, the Chinese who started to have a rising economy managed to bring their family members and friends from China by boat (there was already boat transportation at that time). Their migration from the various sub-ethnic group brought them together, made their villages, used their language. This is Chinese exclusivity's starting point (Lubis, 1999).

The colonial government created separate ethnic settlements in line with the opening of the rubber plantation company along the Medan Labuhan Batu road in 1870. So the dwellings were formed from Europe with the names of Kampung Cina, Kampung Arab, Kampung Keling, and the area belonging to "Tuan Kebon," while the natives and other migrants lived outside the block called the settlements of the Sultan (Tan, 2004).

In the center of Chinese settlements in the city of Medan, Chinese schools and recreation facilities are mostly created. This symptom is particularly noticeable in residential elite areas with a dense business atmosphere and an elevated degree of homogeneity (Lubis, 1999). In general, Chinese in

Medan can not talk Indonesian because they remained in their ethnic community from a young age and attended school in their neighborhood (Manurung, 2005).

Regional Economy

Development advancement in a nation is assumed to be dripping on its own to generate employment and other economic prospects that will eventually promote the circumstances needed to generate a more even distribution of economic and social development impacts or known as the trickle-down impact (Todaro, 2004). The development will stop at a steady-state if there is no role of technology in the economy so that the economy will no longer grow in the long run (Mankiw, 2003)

It is suggested in the Kuznet hypothesis that development will initially increase revenue but also inequality. But ultimately, with higher incomes, inequality will be lower (Todaro, 2004).

Indicators for economic development

Therefore, a balance of sources of development between consumption, investment, government spending, and net import-export must be maintained to achieve high enough economic development (Blancard, 2005).

Regional Economic Development

The views of Rostow and his colleagues on Regional Economic Development claim that under the pressure of foreign aid and debt, development goes almost automatically through the accumulation of capital (savings and investment). He stressed on the need for an entrepreneurial elite as the engineering of the process (Fakih, 2001).

Economic Base Theory is a theory or strategy aimed at describing the region's development and growth. The primary concept is that certain economic activities in a region are specifically financial base activities, i.e. in the sense that their growth drives and determines the development of the region as a whole, while other non-base activities are merely a result of the region's general development (Hoover and Giarratani, 1984 in Sirojuzilam and Kasyful, 2010).

Glason (1977) says that basic activities are activities that export products and services to locations outside the economic borders of the region or market their products and services outside the borders of the economy of the group. While non-base activities are activities that provide products required by people living within the community's economic borders. Market regions of the production and non-base sector are primarily the region concerned.

RESULT

Table 1
Young Chinese Entrepreneurship Percentage Characteristics Respondents by Age

No	Characteristics of Respondents	Number	
		Respondent (people)	%
1	Age 16 -20	-	-
2	Age 21 -25	26	27,4
3	Age 26 -30	69	72,6
Total		95	100%

Source: Primary Data Processed, 2016

While it is evident from the lack of participants around the age of 16-20 that they are posing as young Chinese entrepreneurs, this indicates that

young individuals in that age range tend not to be willing to take the part as entrepreneurs.

Table 2
Percentage of the characteristics of education-based young Chinese entrepreneurship

No	Characteristics of Respondents	Number	
		Respondent (people)	%
1	Primary	-	-
2	Junior High School	-	-
3	High School	35	36,8 %
4	Diploma	34	35,8%
5	Bachelor	26	27,4%
Total		95	100 %

Source: Primary Data Processed, 2016

Table 2 shows that 60 young Chinese entrepreneurs of Medan city have chosen the career as entrepreneurs, even though they have graduated

from Diploma and Bachelor's degree. Although only a high school educated, not a few respondents also choose to become an entrepreneur immediately.

Tabel 3
Percentage of young Chinese entrepreneurs' characteristics by business type

No	Characteristics of Respondents	Number	
		Respondent (people)	%
1	Service	14	14,7
2	Culinary	7	7,4
3	Fashion	19	20,0
4	Electronic	11	11,6
5	Accessories	23	24,2
6	Others	21	22,1
Total		95	100 %

Source: Primary Data Processed, 2016

Out of a total of 95 (ninety-five) respondents, there were 21 respondents with a percentage of 22.1% who worked in other business sectors or were not included in the 5 business types, each of whom

became entrepreneurs in the printing business, suppliers of building materials, automotive, property, kitchenware and glassware, and galleries for painting..

Table 4 Village-based characteristics of young Chinese entrepreneurs

No	Characteristics of Respondents	Number	
		Respondent (people)	%
1	Pasar Baru	11	11,6
2	Sudi Rejo I	2	2,1
3	Sudi Rejo II	8	8,4
4	Sitirejo I	2	2,1
5	Pusat Pasar	18	18,9
6	Sei Renggas I	14	14,7
7	Mesjid	6	6,3
8	Pandau Hulu I	16	16,8
9	Kota Matsum III	1	1,1
10	Pasar Merah Barat	2	2,1
11	Teladan Timur	11	11,6
12	Teladan Barat	4	4,2
Total		95	100 %

Source: Primary Data Processed, 2016

Pandau Hulu I Urban Village is the second biggest urban village in which the population earns a living as an entrepreneur with a sample ratio of 16.8%, Sei Rengas I Urban Village is the third most urban village with a sample ratio of 14 participants and a percentage of 14.7%, followed by Kelurahan Pasar Baru and Teladan Timur with 11 participants and 11.6% respectively, Sudirejo II with 8 participants and 8.4%, Mesjid with 6 participants and 6.3% respectively Teladan Barat with 4 participants and a 4.2% ratio, Sudirejo I with 2 participants and a 2.1% ratio, Sitirejo I with 2 participants and a 2.1% ratio, Pasar Merah Barat with 2 participants and a 2.1% ratio and Kotamatsum II with 1 respondent and a 1.1% ratio.

In this study, it is known that at a confidence level of 95 percent (0.05), the F-statistics has a value of 2.48 derived from the Degree of Freedom (df). The F- statistics value is known to be 36,619, whereas the F-calculated value is 2,48, meaning the F-value > F-statistic and also known to be 0,000 or <

0,05. On the basis of the formulation, it can be concluded that H_0 was rejected and H_a was accepted, meaning that "young Chinese entrepreneur businesses (X) simultaneously had a significant positive impact on the economic development of Medan City"(Y).

Results of the research hypothesis test show that ' business growth ' has a positive and significant influence on Medan city's (Y) economic development from a significance value of 0.009 below (less than) 0.05 and a T-statistical value of 2.683 or > T-value, meaning that if the variable ' business growth ' is increased by units, regional economic development (Y) will increase by 0.281.

DISCUSSION

Indicators of business growth's influence on young Chinese entrepreneur Medan City shows the average value as follows:

Table 6
Average Value of Business Growth Indicators

No	Business Growth	Score	%	Category
1	Receive big monthly profitability	3,8	76 %	Good/positive
2	Experience physical capital / asset development	3,6	72 %	Good/positive
3	Rapid increase in customers	3,8	76 %	Good/positive
4	A sound balance sheet	3,8	76 %	Good/positive
Total				

Source: Primary Data Processed, 2016

Berdasarkan temuan di lapangan yang ditunjukkan pada Tabel 6 diketahui rata-rata skor untuk indikator pertumbuhan usaha yaitu sebesar 3,8 dengan presentasi 76 %. Angka ini menunjukkan bahwa usaha-usaha milik usaha mandiri pemuda Etnis Tionghoa di Kecamatan Medan Kota mengalami pertumbuhan yang sangat pesat.

Skor rata-rata tertinggi untuk indikator ini yaitu 3,8 dengan presentasi 76 % yakni pada poin peningkatan keuntungan tiap bulan, peningkatan jumlah pelanggan, serta neraca keuangan yang sehat. Sedangkan poin dengan rata-rata skor terendah didapati pada poin penambahan modal fisik/aset yakni sebesar 3,6 dengan presentasi 72 %.

Usaha-usaha yang diketahui mengalami pertumbuhan pada modal fisik/aset seperti Sinar

Makmur milik Ray, MG Salon milik Maria, Coco Studio milik Marina Lim, Usaha Saudara milik Widodo, Bintara Jaya Abadi milik Christian, Happy Bean milik Darmono, dan lain sebagainya.

Cukup tingginya pertumbuhan usaha dalam usaha mandiri pemuda Etnis Tionghoa di Kecamatan Medan Kota seperti telah ditunjukkan sebelumnya mengindikasikan bahwa pertumbuhan usaha dalam usaha mandiri pemuda Etnis Tionghoa menjadi pemicu perkembangan ekonomi wilayah di Kecamatan Medan Kota. Untuk membuktikan hal tersebut telah dilakukan penelitian lapangan terhadap 95 (sembilan puluh lima) responden yaitu para usaha mandiri pemuda Etnis Tionghoa yang dijelaskan sebagai berikut:

Tabel 7
Jawaban Persepsi Responden Pertumbuhan Usaha dalam Usaha Mandiri Pemuda Etnis Tionghoa
Pertumbuhan Usaha

Alternatif Jawaban	Bobot (X1)	Frekuensi (F)	FX	%
Sangat Setuju	5	30	150	10,40 %
Setuju	4	246	984	68,14 %
Kurang Setuju	3	102	306	21,19 %
Tidak Setuju	2	2	4	0,27 %
Sangat Tidak Setuju	1	0	0	0 %
Jumlah	380		1444	100 %

Skor Rata-Rata : $1444/380 = 3,8$ dengan presentasi 76 %

Kriteria : Positif/ baik

Sumber: Diolah dari Data Primer 2016

Tabel 7 di atas dapat dijelaskan jika para responden yaitu usaha mandiri pemuda Etnis Tionghoa di Kecamatan Medan Kota dominan memberikan jawaban setuju sebesar 68,14 %, kurang setuju 21,19 %, sangat setuju 10,40 %, tidak setuju 0,27 % dari beberapa poin terkait, dengan skor rata-rata sebesar 76 % pada pertumbuhan usaha mandiri pemuda Etnis Tionghoa dalam perkembangan ekonomi wilayah di Kecamatan Medan Kota. Hal ini menyatakan bahwa kebanyakan usaha mandiri pemuda Etnis Tionghoa di Kecamatan Medan Kota terdapat pertumbuhan usaha kerja yang baik dalam perkembangan ekonomi wilayah di Kecamatan Medan Kota.

CONCLUSION AND SUGGESTIONS

Conclusion

Berdasarkan uji parsial (uji-T) ditemukan T-hitung > T-tabel, serta nilai signifikansi < 0,05 pada variabel Pertumbuhan Usaha = 0,009. Yang menunjukkan bahwa variabel pertumbuhan usaha, usaha mandiri pemuda Etnis Tionghoa berpengaruh nyata terhadap perkembangan ekonomi wilayah.

Suggestions

Berdasarkan hasil kesimpulan, beberapa upaya perlu dilakukan untuk meningkatkan Usaha Mandiri Pemuda Etnis Tionghoa Terhadap Perkembangan Ekonomi Wilayah Kecamatan Medan Kota, Kota Medan, antara lain:

1. Perlunya kerjasama antara usaha mandiri pemuda Etnis Tionghoa dengan Pemuda Pribumi untuk memajukan usaha mandiri dan meningkatkan perkembangan ekonomi wilayah.
2. Perlunya kajian ilmu usaha mandiri pemuda yang lebih mendalam untuk mengembangkan usaha muda mandiri Etnis Tionghoa sebagai wujud mengembangkan perekonomian dan kesejahteraan bangsa.

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