

INCOME DIVERSIFICATION AND FINANCIAL STABILITY OF FISH PROCESSING MICRO-ENTERPRISES IN URBAN PRABUMULIH, SOUTH SUMATRA

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ABSTRACT

Small-scale fish processing groups (*Poklahsar*) play a crucial role in supporting urban food security and local economies. However, they frequently face financial instability due to market volatility and fluctuating access to raw materials, necessitating effective income diversification strategies. This study aims to evaluate the income diversification on the financial stability of a fish processing and marketing group (*Poklahsar*) in Prabumulih City. A case study approach was employed, focusing on a single, integrated collective enterprise (*Poklahsar Estalase*) by conducting a census of all its 10 individual members, with data collected from August 2025 to January 2026 through structured questionnaires and financial records. Income diversification was assessed using the Herfindahl-Hirschman Index (HHI), while financial stability was evaluated through net cash flow and operational margins. The results indicate that the enterprise maintains an optimally diversified revenue stream, with an HHI value of 0.5001 resulting from a balanced composition of 49.14% fish-based and 50.86% non-fish-based products. This diversified income structure serves as a critical strategic buffer, effectively mitigating market volatility and resulting in a positive monthly net income of IDR 8,720,000.00. The findings confirm that product diversification is the primary determinant of financial stability, providing the necessary liquidity and operational resilience for the enterprise needs.. It is recommended that the group focus on strengthening raw-material supply chains and managerial coordination to sustain this diversified income structure and support the scalable growth of urban microenterprises.

Keywords: Community-based; Fish Processing and Marketing Groups (*Poklahsar*); Household Revenue Structure; Liquidity Analysis

INTRODUCTION

The fisheries sector is a central contributor to Indonesia's local and national economy through its role in supplying nutritious food, generating employment, and supporting community livelihoods. In South Sumatra, substantial capture fisheries and aquaculture production provide an enabling environment for the growth of small-scale processing industries, including Fish Processing and Marketing Groups (*Poklahsar: Kelompok Pengolah dan Pemasar Hasil Perikanan*). These community-based enterprises enhance value addition, diversify fish-based products, and strengthen household income, particularly for women who play a significant role in processing activities. Empirical evidence demonstrates that such groups can increase household earnings, as found in Malang, where *Poklahsar* members reported notable rises in monthly income (Soebagio *et al.*, 2022), and that structured empowerment fosters balanced personal and entrepreneurial development within community-based enterprises (Purwadi, 2025). The operational dynamics of these enterprises differ significantly depending on their geographical context. Unlike coastal regions, Prabumulih is an inland urban area that relies heavily on complex external supply chains for marine raw materials, such as *Chirocentrus dorab* (parang fish) and *Lutjanus* sp. (snapper fish). Bringing marine catches to inland areas is highly inefficient; empirical data indicate that transportation costs account for a massive 43.57% of the total logistics costs in the sea catchment fish supply chain

(Guritno & Tanuputri, 2017). Due to this severe geographical and logistical burden, *Poklahsar* in Prabumulih continues to face structural challenges, including unstable income composition, fluctuating access to raw materials, limited capital, and uneven managerial capacity, all of which threaten their economic resilience and long-term sustainability.

Income structure is a central determinant of livelihood stability, as households typically rely on multiple income sources that shape their vulnerability and adaptive capacity (Alex, 2023). Conceptually, household income is differentiated into primary and secondary components (Jamaldin & Laurent, 2025), and understanding these flows is essential for assessing socio-economic well-being (Kimkong *et al.*, 2023). Research on income diversification shows that the Herfindahl Hirschman Index is a reliable measure for evaluating concentration risk in fisheries-based livelihoods (Kasperski & Holland, 2013; Shelby & Andrew, 2024). From a financial perspective, short-term liquidity and profitability indicators, such as net cash flow and operational margin, are widely recognized tools for assessing the financial health and operational resilience of micro-scale food processing enterprises (Laghari *et al.*, 2023; Lamatao & Sanchez, 2025). These indicators are particularly relevant because *Poklahsar* generally operates with limited financial buffers, so that maintaining positive liquidity and adequate profitability is essential for determining its capacity to sustain daily operations and support diversified production activities.

The application of the Herfindahl-Hirschman Index (HHI) as a research approach enables a comprehensive analysis

of income diversification and its impact on the financial stability of fish processing microenterprises. Developed by Kavanagh and Pitcher, the method has been validated across diverse contexts, including marine fisheries in India (Adiga *et al.*, 2015), coastal and riverine fisheries in Brazil (Jimenez *et al.*, 2021), and a wide range of Indonesian fisheries and related industries (Ali, 2015; Natan *et al.*, 2016; Vatria *et al.*, 2019; Nurhayati *et al.*, 2019; Haya & Fujii, 2020; Achmad *et al.*, 2020; Bayu *et al.*, 2019; Dewinta & Ma'ruf, 2020). Studies consistently show that sustainability performance varies across dimensions, with economic and institutional factors often behind material availability, market access, and social cohesion. Moreover, small-scale processing enterprises frequently rely on women's participation, which strengthens household welfare and product diversification (Wahyudi, 2018) and contributes significantly to broader fisheries livelihood systems (Stacey *et al.*, 2021). These insights underscore the need for integrated sustainability assessments that capture both economic and socio-institutional determinants within small-scale processing groups.

Although research on fisheries' livelihoods and small-scale processing has expanded, little is known about the income structure of *Poklahsar* operating in inland urban settings such as Prabumulih. Most studies emphasize coastal communities or examine household earnings without detailing how income is distributed across product categories within community-based processing units. This gap limits understanding of the economic foundations that support daily operations and household welfare in urban *Poklahsar*. Therefore, this study specifically examines income diversification within fish processing and marketing micro-enterprises in Prabumulih to provide empirical insights into how revenue is diversified and its impact on overall financial stability.

RESEARCH METHODS

Research Location and Time

This research was conducted from August 2025 until January 2026 in Prabumulih City, an urban municipality in South Sumatra. The specific geographic location is situated between 3°25'–3°32' South Latitude and 104°08'–104°16' East Longitude. This location explicitly defines the spatial boundaries of the study, which is characterized by strong local demand, accessible raw materials, and dense micro-enterprise activity, while the six-month observation period clearly establishes its temporal boundaries.

Research Approach and Unit of Analysis

A case study approach was chosen to provide an in-depth and contextualized understanding of income diversification within a specific micro-enterprise setting. The selected unit of analysis is *Poklahsar* Etalase, purposively chosen due to the area's potential for developing fish-based processing enterprises. To clarify the operational context, *Poklahsar* Etalase possesses unique characteristics as it functions as a single, collective (integrated) unit of analysis rather than as separate individual businesses. The members collaborate in a shared production facility and use shared equipment to produce a diverse range of products, including both fish-based and non-fish items. Consequently, the members

do not act as individual product providers with distinct capacities; instead, the group operates with a combined, integrated daily production capacity.

Population, Sample, and Sampling Techniques

Consistent with the single case study design, the unit of analysis in this study is *Poklahsar* Etalase as a whole at the organizational (group) level, so that the effective unit of analysis is a single, integrated collective enterprise (N = 1), not 10 separate individual businesses. The 10 members are therefore presented solely as a demographic profile and internal characteristic of the group, rather than as formal statistical sample units. Because the financial data analyzed represent the group's combined (collective) cash flows, a complete enumeration of all internal financial records and all 10 members was carried out to obtain a comprehensively accurate representation of the group's collective operational and financial dynamics, ensuring that no internal variability is overlooked (Sugiyono, 2019).

Types and Methods of Data Collection

The data collection instruments were classified into two main categories to thoroughly capture the enterprise's dynamics. Primary data were collected directly from the research subjects through structured questionnaires, in-depth interviews regarding their operational roles, and direct observations of the shared production processes. Secondary data were meticulously gathered from the enterprise's internal financial reports, government documents, institutional reports, and relevant literature. The financial data, encompassing all cost components and income, were recorded for the group as a whole on a daily production cycle and subsequently aggregated to a monthly period for analysis.

Data Analysis Methods

The data analysis is divided into operational points to clarify the mathematical formulas and indicators used to assess the enterprise:

- Income Diversification
Assessed using the Herfindahl–Hirschman Index (HHI). The index was derived from two main variables: the proportion of income from fish-based products and the proportion of income from non-fish products. The general formula used to calculate the index is expressed as follows:

$$HHI = \sum_{i=1}^n s_i^2 \dots\dots\dots (1)$$

where s_i represents the share of income from each category. In this study, with exactly two main categories, the calculation is explicitly defined as:

$$HHI = (s_{fish})^2 + (s_{non-fish})^2 \dots\dots\dots (2)$$

Interpretive categories refer to Kasperski and Holland (2013), where a value of 0.50 represents maximum diversification for two income sources and a value approaching 1.00 indicates full concentration in a single category.

- Income Diversification
Evaluated through liquidity and profitability indicators. *Net Cash Flow (NCF)* was calculated to determine short-term liquidity by subtracting total operational expenditures from total

revenue, expressed mathematically as:
$$NCF = TR - TC \dots\dots\dots(3)$$

where *TR* is Total Revenue, and *TC* is Total Cost. Furthermore, Operational Margin (OM) was computed to assess operational efficiency and overall profitability, defined as:
$$OM = \frac{Net\ Income}{TR} \times 100\% \dots\dots\dots(4)$$

RESULT AND DISCUSSION

Study Area and Enterprise Profile

Prabumulih City is an urban economic center in South Sumatra with an active network of household-scale food processing enterprises specializing in traditional fish-based products such as pempek, model, tekwan, and kemplang. Consistent local demand, accessible raw materials, and the strong involvement of women in small-scale production support these activities. Within this economic landscape, *Poklahsar* Etalase represents a community-based enterprise that operates daily production using simple capital assets, basic processing equipment, and raw materials sourced from local markets.

The group consists of 10 members who collaborate to manage production activities, procurement, and direct sales. Their business output is organized into two categories of processed food, namely fish-based products and non-fish-based products, both of which contribute substantially to household income. Data collected from the group includes investment requirements, operational expenditures, revenue generation, net cash flow, and income composition. These empirical records describe *Poklahsar Etalase's* financial structure and provide a foundation for analyzing the distribution and diversification of income within the enterprise.

Capital Structure and Investment Characteristics

The physical and financial foundation of (*Poklahsar*) Etalase consists of production facilities, equipment, and supporting tools valued at IDR 74,000,000, forming the enterprise’s initial capital (Table 1).

Table 1. Investment Cost of Fish Processing and Marketing Group (*Poklahsar*) Etalase

Category	Item	Volume (Units)	Total Cost (IDR)
Building Facilities	Production building, sales building	2	35,000,000.00
Machinery and Processing Tools	Vacuum machine, food processor, freezer, dough mixer, gas stove, roller	10	29,100,000.00
Supporting Equipment	Stainless pots, woks, utensils, gas cylinders, knives, trays, table scale	8	9,550,000.00
Display and Storage Facilities	Display counter, stainless tables, storage racks	6	10,350,000.00
Total			74,000,000.00

The income structure of *Poklahsar* Etalase emerges from the configuration of its capital assets, which determine the scale, continuity, and diversity of production activities. The allocation of IDR 74,000,000.00 to buildings, machinery, and supporting tools creates a dual-production infrastructure that enables simultaneous processing of fish-based and non-fish-based products (Table 1). This form of dual capacity is widely recognized in the literature as a structural driver of income formation, as capital investments directly shape a firm’s ability to operate multiple product lines and reduce reliance on single-commodity outputs (Kamal *et al.*, 2024). Diversified production ecosystems also tend to enhance adaptability by distributing operational risks across different input types and market segments, strengthening revenue resilience under varying external conditions (Wang *et al.*, 2024). Moreover, integrating specialized fish processing tools with general food preparation equipment aligns with evidence that asset diversification supports income stabilization through expanded product portfolios (Prosperi *et al.*, 2021; Salvioni *et al.*, 2020). In this context, the capital structure of *Poklahsar* Etalase does not simply enable production. However, it constitutes a strategic foundation that shapes revenue composition, cushions exposure to supply volatility, and reinforces long-term income stability within the enterprise.

Operational Cost Structure and Expenditure Dynamics

Daily operations require raw materials, labour, utilities, and packaging supplies, resulting in a total daily expenditure of IDR 694,484.00 (Table 2) and a monthly expenditure of IDR 17,425,250.00 (Table 3).

Table 2. Daily Operational Costs of the Fish Processing and Marketing Group (*Poklahsar*) Etalase

Category	Item Description	Total Cost (IDR)
Fixed Cost		
Labour ^a	Worker wages (2 persons)	80,000.00
Utilities ^b	Electricity (daily)	10,984.00
Variable Cost ^c		
Raw Materials	<i>Chirocentrus dorab</i> (4 kg), <i>Lutjanus sp.</i> (4 kg), sago starch (6.5 kg), salt (0.5 kg), shallots (1 kg), garlic (1 kg), chili (1 kg), seasoning (24 packs), eggs (2 kg), and tofu (2 packs).	458,500.00
Production Inputs	Cooking palm oil (5 L), plastic packaging (1 pack), plastic bags (1 pack), rubber bands (1 pack), tissues (1 pack), and straws (1 pack).	125,000.00
Transport	<i>Ojek</i> transport service (1 trip)	20,000.00
Total		694,484.00

Note: All financial data presented is derived from the primary financial records of *Poklahsar* Etalase spanning from October 2025 until January 2026.

^a Labour cost is allocated at a fixed daily rate of IDR 80,000.00 for two workers per active production day.

^b Daily utility cost (electricity) is precisely derived from the total 4 months PLN billing (IDR 1,351,000.00) divided by the total calendar duration (123 days) to account for continuous cold chain storage infrastructure operations.

^c Variable costs (Raw Materials, Production Inputs, and Transport) are strictly recognized and incurred only on active processing days.

Table 3. Average Monthly Operational Cost Structure

Cost Category	Monthly Cost (IDR)
Fixed Cost	
Labour	2,000,000.00
Utilities	337,750.00
Variable Cost	
Raw Materials	11,462,500.00
Production Inputs	3,125,000.00
Transport	500,000.00
Total Monthly Cost	17,425,250.00

Operational expenditures of IDR 694,484 per day reveal that raw materials constitute the dominant cost component, reaching IDR 458,500 (66.02% of total daily expenses), followed by supporting inputs at IDR 125,000 (18.00%), labour at IDR 80,000 (11.52%), and utilities and transport accounting for the remaining 4.46% (Table 2). This proportional distribution aligns closely with empirical findings, indicating that raw materials typically account for 40–70% of operational costs in small-scale food and aquaculture enterprises, where ingredient availability and input intensity directly determine production continuity (Sánchez *et al.*, 2021; Divu *et al.*, 2024). The substantial raw material expenditures for parang fish, snapper fish, sago, and eggs, alongside non-fish inputs such as tofu and cooking supplies, highlight the dual-input system required to support diversified product lines. Labour, although representing only 11.52% of total daily costs, plays a decisive role in sustaining daily production, consistent with evidence that, when fully accounted for, labour can significantly influence real economic profitability in small enterprises (Lobillo-Eguibar *et al.*, 2020). Supporting inputs such as packaging, oil, electricity, and water account for a smaller yet essential share of operational expenditures, mirroring documented patterns in which secondary inputs typically represent 10–20% of total costs (Sánchez *et al.*, 2021; Divu *et al.*, 2024). Overall, the balanced expenditure allocation across major cost components demonstrates that *Poklahsar* Etalase maintains an operational framework capable of sustaining both fish and non-fish product lines simultaneously, a condition shown to enhance production stability and revenue resilience in diversified food enterprises (Kumar *et al.*, 2024). Thus, the expenditure structure reflects not only the financial requirements of daily operations but also the underlying operational logic enabling consistent income from multiple

product categories.

Revenue Generation, Cash Flow, and Income Composition

The Fish Processing and Marketing Group generates an average daily revenue of IDR 1,076,500.00 from the sale of fish-based and non-fish-based processed products (Table 4). Based on the aggregate performance recorded over the 97 active working days during the four-month observation period (October 2025–January 2026), the group maintains an average monthly revenue of IDR 26,145,250.00 (Table 5). The difference between total monthly revenue (TR) and total monthly operational expenditures (TC) yields a monthly net income of IDR 8,720,000.00, resulting in an annualized net income of IDR 104,640,000.00 (Table 6).

Table 4. Daily Revenue of the Fish Processing and Marketing Group (*Poklahsar*) Etalase

Category	Name	Price/pcs (IDR)	Avg. Daily Sales	Avg. Daily Revenue (IDR)
Fish-based	Egg Fishcakes (<i>Model</i>)	10,000.00	17	170,000.00
	Tofu Fishcakes (<i>Model</i>)	6,000.00	19	114,000.00
	<i>Pempek Kapal Selam</i>	10,000.00	19	190,000.00
	<i>Pempek</i>	1,000.00	55	55,000.00
Fish-based Subtotal				529,000.00
Non-fish	Chicken Noodles	10,000.00	19	190,000.00
	Dumpling Noodles	10,000.00	15	150,000.00
	Fried Snacks	1,000.00	95	95,000.00
	<i>Cireng</i>	1,000.00	57	57,000.00
	Sticky Rice	1,500.00	37	55,500.00
Non-fish Subtotal				547,500.00
Total Average Daily Revenue				1,076,500.00

Note: The table figure presented represents the average daily performance across 97 active working days (October 2025–January 2026). The total daily revenue of IDR 1,076,500.00 is a theoretical daily average derived from the rounded sales volume of each individual product category.

Table 5. Gross Monthly Revenue (October 2025–January 2026)

Month	Days	Fish-based Revenue (IDR)	Non-fish Revenue (IDR)	Total Revenue (IDR)
Oct-2025	27	13,751,000	15,407,000	29,158,000
Nov-2025	24	12,436,000	12,431,000	24,867,000
Dec-2025	21	11,803,000	12,079,000	23,882,000
Jan-2026	25	13,100,000	13,574,000	26,674,000
Total	97	51,090,000	53,491,000	104,581,000
Average	24	12,772,500	13,372,750	26,145,250

Note: All revenue figures represent actual gross financial data recorded directly from the *Poklahsar* Etalase financial ledger. The Working Days column reflects the specific number of active operational days per month, totaling 97 days over the four-month observation period. The Average row indicates the mean value per month, calculated based on the total performance throughout the observation timeframe.

Table 6. Net income of the Fish Processing and Marketing Group (*Poklahsar*) Etalase

Description	Formula and Notation	Amount (IDR/Month)
Monthly gross Revenue	TR	26,145,250.00
Monthly operating cost	TC	17,425,250.00
Monthly net income	$NI_m = TR - TC$	8,720,000.00
Annualized net income	$NI_a = 12 \times NI_m$	104,640,000.00

Although net cash flow does not indicate whether income originates from fish-based or non-fish-based products, it is relevant because it indicates whether the enterprise has sufficient liquidity to sustain the procurement of raw materials for both categories. A consistently positive net cash flow is widely recognized as one of the most reliable indicators of short-term financial health because enterprises with adequate liquidity can meet routine obligations, purchase inputs on time, and avoid operational disruptions that could affect product continuity (Wang, 2024). The ability to maintain a positive cash surplus also reduces the risk of insolvency, allowing enterprises to continue financing daily production even under fluctuating market conditions (Puspita *et al.*, 2024; Bondarenko & Bobyr, 2024). For small food processing enterprises, this condition is particularly important because liquidity directly shapes production stability and resilience in the face of shocks such as increases in input prices or temporary revenue fluctuations (Stepanenko & Turovska, 2023). In diversified enterprises like *Poklahsar* Etalase, positive net cash flow therefore serves as an enabling factor that sustains the balanced income structure observed in the revenue data, ensuring that both fish-based and non-fish-based product lines can be continuously supported. This relationship reinforces empirical findings that effective cash flow management enhances financial sustainability, operational stability, and long-term growth prospects in micro enterprises (Lamatao & Sanchez, 2025; Injadat *et al.*, 2023; Laghari *et al.*, 2023). Thus, while net cash flow is not a direct measure of income composition, it is essential for explaining how the enterprise maintains its diversified revenue portfolio on a daily basis.

Fish-based products contribute 49.14% of daily revenue, while non-fish products contribute 50.86%, forming the basis for diversification analysis using the Herfindahl Hirschman Index (Table 6). The income composition of *Poklahsar* Etalase demonstrates a balanced revenue structure, with fish-based products accounting for 49.14% and non-fish products for 50.86% of daily earnings. This parity indicates an absence of category dominance, thereby confirming the

existence of genuine business diversification within the enterprise (Table 6). This balance closely corresponds to empirical findings from recent international studies showing that diversified small-scale fisheries and rural livelihood portfolios typically exhibit near proportional income shares across product categories, such as Pacific Island fisheries where pelagic fish contribute approximately 47% of household income. In comparison, the remaining 53% originates from other aquatic resources, thereby enhancing livelihood resilience under fluctuating market and ecological conditions (Roscher *et al.*, 2023; Teh & Pauly, 2018).

Table 6. Income Composition of the Fish Processing and Marketing Group (*Poklahsar*) Etalase

Category	Revenue (IDR/Day)	
	Revenue (IDR/Day)	Share (%)
Fish-based income	529,000.00	49.14
Non-fish income	547,500.00	50.86
Total	1,076,500.00	100

Comparable numerical patterns are reported in the Colombian Caribbean, where small-scale fishing households derive approximately 37% of income from fishing and 63% from non-fishing sources (Maldonado *et al.*, 2022), demonstrating that multi-source income portfolios serve as an adaptive strategy for stabilizing revenue volatility in resource-dependent communities (LaFevor, 2022). Evidence from Bangladesh further supports this interpretation: households engaged in fish farming generate about 43% of income from aquaculture and 57% from non-fish activities, with diversification shown to improve food security and reduce vulnerability to external shocks (Khanum *et al.*, 2022). These cross-regional numerical findings reinforce the view that the nearly equal income shares observed in *Poklahsar* Etalase reflect a diversified and resilient income structure rather than a concentrated one. Because the proportions recorded in this study originate directly from observed daily sales rather than estimations, the revenue distribution reflects actual consumer demand patterns during the data collection period, providing strong empirical justification that the enterprise maintains a balanced product portfolio that supports income stability and adaptability under urban microenterprise market conditions.

Income Diversification Analysis

A nearly equal distribution of income between fish-based products (49.14%) and non-fish products (50.86%) results in an HHI value of 0.5001, reflecting very low concentration and a highly diversified income structure (Table 7).

The Herfindahl–Hirschman Index (HHI) value of 0.5001 and the normalized value of 0.0003 confirm that the income distribution of *Poklahsar* Etalase is optimally diversified, with neither product category dominating the revenue structure (Table 7). In a two-category system, an HHI value that mathematically converges toward 0.500 indicates a perfectly balanced distribution, since the index is computed as the sum of squared income shares for each category. When both categories contribute equally, the squared shares converge to identical values, producing the minimum possible HHI for a two-source system. This interpretation is firmly established in diversification studies, where an HHI close to 0.500 in a two-

category framework represents maximal diversification rather than moderate or partial balance, since no other distribution yields lower concentration under the index's mathematical formula. Empirical studies applying HHI to income and revenue diversification similarly interpret values near 0.500 (Figure 1) as evidence of a fully balanced portfolio across two sources (Le *et al.*, 2021; Kurdyś-Kujawska *et al.*, 2021), while values approaching 1.000 indicate concentration in one source and thus higher vulnerability (Admasu *et al.*, 2022; Khanal & Ojha, 2023).

Table 7. HHI of the Fish Processing and Marketing Group (*Poklahsar*) Etalase

Indicator	Formula and Annotation	Value
Fish-based income share	(s_1)	0.4914
Non-fish income share	(s_2)	0.5086
Squared Share 1	(s_1^2)	0.2415
Squared Share 2	(s_2^2)	0.2587
HHI	$HHI = s_1^2 + s_2^2$	0.5001
Normalized HHI	$HHI_{norm} = 2 \times HHI - 1$	0.0003

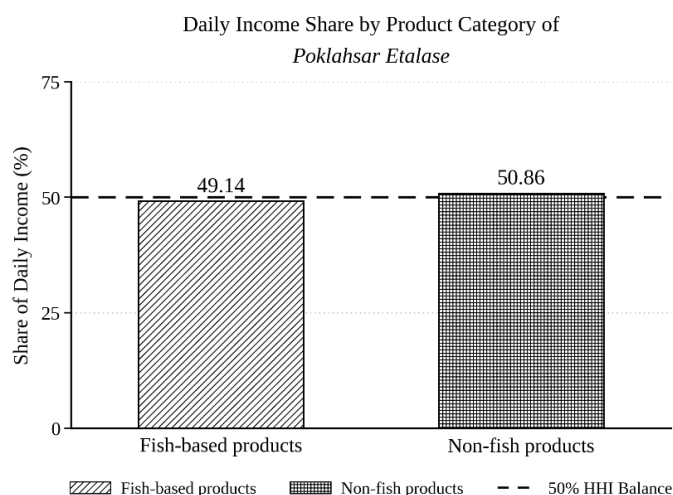


Figure 1. Income Composition and Diversification Structure of *Poklahsar* Etalase in Urban Prabumulih

The normalized HHI, which rescales the metric to a zero-to-one continuum, reinforces this conclusion, as values near zero indicate maximal diversification. Since the normalized value computed for *Poklahsar* Etalase is 0.0003, which effectively converges to zero, the index demonstrates that the enterprise operates at the highest attainable level of diversification within a two-category system. These findings are derived directly from the observed empirical income shares of 49.14% and 50.86%, ensuring that the interpretation is fully grounded in the enterprise's actual revenue data rather than speculative assumptions.

Local Economic Implication

The main implication of these findings is that the income structure of *Poklahsar* in inland urban area, such as Prabumulih City, exhibits a robust, optimally diversified

economic foundation. This study fills a critical gap in the literature, which has traditionally been dominated by studies focusing on coastal regions or aggregate household income analyses. The results demonstrate that *Poklahsar* Etalase's income is derived from a nearly balanced distribution across product categories, with 49.14% from fish-based products and 50.86% from non-fish products. The resulting HHI value of 0.5001 mathematically confirms a state of maximal diversification for a two-category system. This pattern is in line with empirical findings in Kota Tengah, Gorontalo, where product diversification and digital marketing were able to explain 96.3% of the variation in culinary MSME income, confirming that cross-product income structure is the main determinant of urban micro-business economic stability (Yoesoef *et al.*, 2025; Arte & Larimo, 2021). Quantitatively, these results are also consistent with other studies showing that product diversification increases SME income by 20–40% (Radhiana *et al.*, 2025; Qizi, 2025) and increases the added value of local food businesses by 63.78–63.87% for cassava processing SMEs in Subulussalam City (Atikah *et al.*, 2025; Karfinah, 2018). The conceptual implication of this study is that urban *Poklahsar* can no longer be understood as a mono-sector, fish-based economic unit, but rather as a multi-sector micro-entity with income-generation and distribution mechanisms that are empirically comparable to those of other urban MSMEs in Indonesia.

The practical implications of these findings suggest that the sustainability of urban *Poklahsar* income structures relies heavily on liquidity and operational stability, both of which are essential for maintaining effective product diversification. *Poklahsar* Etalase generates a positive net monthly income of IDR 8,720,000.00, which functions as a critical financial buffer for procuring raw materials and ensuring production continuity across all product categories. These findings are directly relevant to empirical evidence in Denpasar, which shows that each additional unit of People's Business Credit (KUR) increases MSME income by IDR 624,795.00, confirming that liquidity is a functional prerequisite for effective income diversification (Wiguna *et al.*, 2025). In a broader context, the strategic role of urban *Poklahsar* must also be viewed within the framework of the national economy, where MSMEs collectively contribute around 60.5–61% to Indonesia's GDP and absorb 97% of the workforce, so that strengthening the *Poklahsar* income structure has direct implications for local and national economic resilience (Sahir *et al.*, 2025). Therefore, the policy implications following these findings are that the development of *Poklahsar* in urban areas such as Prabumulih needs to be directed not only at increasing fish production volume but also at strengthening product diversification structures, stabilising cross-raw material supply chains, and providing access to financing that supports business liquidity, so that a balanced and resilient income structure can be maintained sustainably.

CONCLUSION

This research empirically establishes that the income structure of *Poklahsar* Etalase in Prabumulih City reflects an optimally diversified economic model, evidenced by a balanced revenue distribution of 49.14% from fish-based products and 50.86% from non-fish-based commodities, resulting in an HHI

value of 0.5001. This dual-product operational strategy, bolstered by monthly net income of IDR 8,720,000.00, serves as a critical fiscal buffer that effectively mitigates operational risks and sustains household welfare amid market fluctuations. To institutionalize this financial resilience and ensure long-term sustainability, strategic interventions should prioritize stabilizing of raw material supply chains and enhancing of managerial coordination, as these are essential prerequisites for maintaining liquidity and supporting the scalable, inclusive growth of community-based processing enterprises in urban inland settings.

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