

The Effect of Financial Capital, Labor and Social Capital on The Income of Culinary Smes in Jagakarsa District

Rukijati Widjjaningsih, Bachtar Bakri, Ign.A.Wirawan Nugrohadi, Tri Suratmi

Postgraduate Business Administration Study, University Respati Indonesia
ruqwidji@gmail.com, bachtarbakrie@yahoo.com, ignatiuslegioner@yahoo.com
tri2209@yahoo.co.id

Abstract

MSMEs need encouragement from all parties in Indonesia to develop into an economic power in society. One type of UMKM is the culinary industry which represents Indonesian culture regarding variations in taste and people's tastes for authentic food from various regions. During the Covid-19 pandemic, culinary MSMEs in Jagakarsa District, South Jakarta, experienced a decrease in income. This research was conducted with the aim of analyzing the effect of financial capital, labor, and social capital on the income of culinary MSMEs in Jagakarsa District. This research is an analytical survey with a quantitative approach, using a sample of 84 SMEs taken from the population using an accidental technique. The research instrument uses a questionnaire constructed by researchers based on variable indicators. Data analysis using multiple linear regression was carried out with software applications on computer devices. The results showed that financial capital, labor, and social capital had an independent effect on the income of MSME actors, with figures of 0.394, 0.792, and 0.234. Financial capital, labor, and social capital have also proven to have a joint effect in increasing the income of culinary MSMEs in Jagakarsa. The conclusion that can be conveyed is that MSMEs need stimulus from various parties, especially from the government and stakeholders to develop. Stimulus can be in the form of policies, capital, and training for human resources to behave hygienically because the food industry is related to health problems.

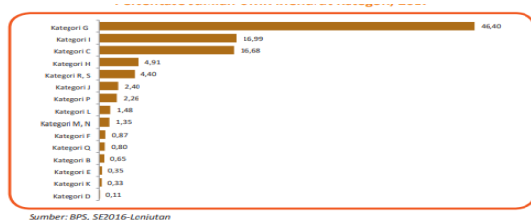
Keywords: taste, taste, presentation, typical Indonesian food

BACKGROUND

Jagakarsa District, is one of the areas in South Jakarta that has the potential for the development of culinary MSMEs. From the mapping results, it was found that Setu Babakan Srengseng Sawah Jagakarsa UMKM, South Jakarta, has the potential to be developed. Because Setu Babakan is a Betawi culture-based tourist attraction that continues to grow. The products produced by Setu Babakan SMEs are products based on local culture, both culinary (pletok beer, laksa, egg crust, crocodile bread, other Betawi specialties), processing and other services and the ways in which MSME actors are mostly businesses that have been started from generation to generation. This can be seen by the length of time they have started their business more than 5 to 20 years ago (Muyadi and Alkaf, 2020).

MSMEs are businesses that have a fairly high role, especially in Indonesia which is still classified as a developing country. With the large number of MSMEs, there will be more job opportunities for the unemployed. The number of MSMEs in Indonesia can be seen in Table 1.1

Table. 1.1
Percentage of Number of MSMEs by Category in 2017



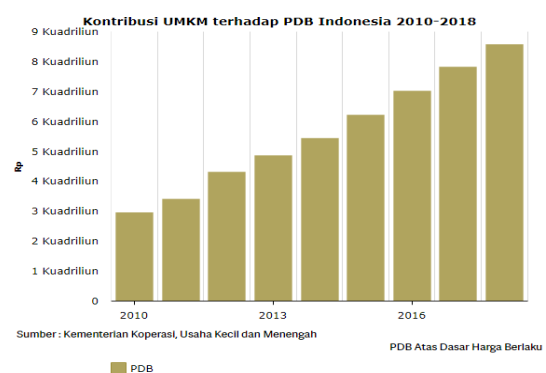
Information :

- Category B : Mining and Quarrying
- Category C : Processing Industry
- Category D : Procurement of Electricity, Gas, Steam/Hot Water and Chilled Air
- Category E : Water Management, Water Management Waste, Management and Cycle
- Recycle Trash, and Activity Remediation
- Category F : Construction
- Category G : Wholesale and Retail Trade; Car Repair and Maintenance & Motorcycle

- Category H : Transportation and Warehousing
- Category I : Provision of Accommodation and Provision of Food and Drink
- Category J: Information and Communication
- Category K : Financial and Insurance Activities
- Category L : Real Estate
- Category M: Professional, Scientific and Technical
- Category N : Leasing and Rental Activities
- Business Use Without Option Right, Employment, Agency
- Travel and Business Support
- Other
- Category P : Education
- Category Q: Human Health Activities and Social activity
- Category R: Arts, Entertainment and Recreation
- Category S : Other Service Activities
- Category U: Activities of International Agencies and International Extra Agency
- Other

In addition, MSMEs can be used as a source of income, especially in rural areas and low-income households. Data from BPS shows that MSMEs in Indonesia contributed to GDP in 2010 to 2018. Can be seen in Table 1.2

Table 1.2



MSMEs have their own uniqueness that can distinguish between MSMEs and large enterprises. This characteristic is in terms of capital as well as workforce and the use of technology that is not too large. In general, MSMEs require less capital, therefore MSMEs can only operate in the informal sector,

besides that they have little capital, also because of limited manpower. In addition, the feeling of trust in fellow MSME actors is still high, giving rise to a sense of security in doing business and still having strong relationships or networks so as to create conditions that are conducive to doing business. During the COVID19 pandemic like now, the condition of MSMEs is vulnerable because this type of business is very dependent on the circulation of money from salesmerchandise. This causes many MSMEs whose sales decreased. The decline in sales at MSMEs can be seen in Figure 1.

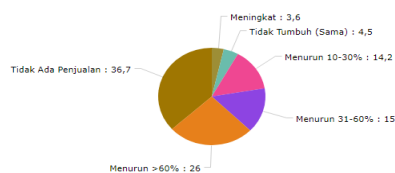


Figure 1.

Declining Sales of MSMEs

In Presidential Regulation Number 72 of 2015, Concerning the Creative Economy Agency, there are 16 creative industry sub-sectors, one of which is the Culinary MSME. Culinary MSME is one of the most popular MSME businesses even for young people. Armed only with skills in the field of food and capital that is not too large, this business is considered promising considering that everyone needs food every day. The culinary MSME sector is one of the creative industry sub-sectors that requires a lot of capital and labor. The capital and labor requirements are expected to increase the productivity of MSMEs in addition to social capital which will support them, so that it is expected to increase the income of the MSMEs themselves.

According to Adam Smith in Rosadi (2019) the main elements of the production system are capital and labor. Capital is that part of production which actively determines the level of output. Its role is very important in the production process because the greater the capital used in business will increase productivity (Taduro, 2013 in Rosadi, 2019), while labor, namely humans as an element in business can create prosperity for a country, because natural resources cannot be used if there is no human labor to process it. All

humans. (Rosadi, 2019) which will bring changes to income.

Financial and labor capital are production inputs needed by culinary MSME actors in carrying out the production process, but in addition to physical and human capital, social capital as a thing that encapsulates all forms of cooperation among culinary MSME actors is also a determinant for increasing the income of culinary MSME actors in Jagakarta District. .

Financial capital is a form of wealth that can be used directly or indirectly in the production process to increase output. Capital or cost is one factor that is very important for every business, both small and medium scale. Financial capital is a factor of production which is both input and output of an economy. Working capital is a company investment in the short term including: typical, accounts receivable, and inventory. With the development of technology and increasingly intense competition in the industrial sector, the factor of production of financial capital has important meaning for a company or business to develop its business (Rosedyadi, 2017).

According to Rosyidi (2009.), financial capital is a factor of production which includes all types of goods made to support the production of other goods and services, this is actually only one of the meanings of the whole, as is often used by economists. Therefore, financial capital also includes the meaning of money available within the company to buy machines and other factors of production.

Financial capital is one of the factors of production that will determine the productivity of a business which will affect the income of the business. If financial capital and labor increase, productivity and income will also increase (Putra and Sudirman, 2015).

Financial capital owned by the informal sector is not too much so it is difficult to increase income, as a result the business is less able to develop. Financial capital is a driving force for business activities and purchases of raw materials, especially for MSME actors (Putri, 2016). For MSMEs, capital is a major obstacle besides business competition.

Based on the results of the Advanced 2016 Economic Census (SE2016 Advanced), more than 40% of MSMEs stated that they had higher capital constraints than other problems. Capital problems will certainly hinder MSME players from expanding. During the Covid 19 pandemic, it is hoped that the government will provide stimulus regarding capital so that MSMEs can survive.

Carrying out a business always requires energy. In accordance with the increase in the work activity of a business, the entrepreneur needs additional staff from other people, namely employee workers, and for large companies, additional thinking staff is added. Labor is a human being who works in an organization's environment who has potential, both in the form of real physical potential, as the main driver in realizing existence in organizational goals. Labor is also referred to as human resources, personnel, workers, employees or employees (Meldona, 2012).

Employees, employees, laborers or workers are one of the important elements in the management of business activities. No matter how advanced technology is today, the human factor still plays a role in the success of a business in increasing income.

Labor is said to be the most important resource in the framework of developing the quality of an MSME's products and services to consumers with the aim of making a significant contribution to the economic development of a country and the production process of the industry itself (Shaikh, 2012). The absorption of labor in MSMEs can be seen in Table 1.3

Table 1.3.
Number of Businesses, Labor and Average Absorption of Non-Agricultural Labor by Category, 2017

Kategori	Jumlah Usaha	Jumlah Tenaga Kerja	Rata-Rata Penyerapan Tenaga Kerja
(1)	(2)	(3)	(4)
B. Pertambangan dan Penggalian	170.004	376.711	2
C. Industri Pengolahan	4.348.459	11.707.339	3
D. Pengadaan Listrik Gas/Uap Air Panas dan Udara Dingin	29.928	53.538	2
E. Pengelolaan Air, Pengelolaan Air Limbah, Pengelolaan dan Daur Ulang Sampah, dan Aktivitas Remediasi	91.541	182.817	2
F. Konstruksi	225.795	2.161.410	10
G. Perdagangan Besar dan Eceran, Reparasi dan Perawatan Mobil dan Sepeda Motor	12.097.326	22.493.987	2
H. Pengangkutan dan Pergudangan	1.281.250	1.684.037	1
I. Penyediaan Akomodasi dan Penyediaan Makanan Minum	4.431.154	8.530.342	2
J. Informasi dan Komunikasi	625.772	977.381	2
K. Aktivitas Keuangan dan Asuransi	86.266	406.598	5
L. Real Estat	385.491	507.937	1
M, N. Jasa Perusahaan	352.936	1.055.068	3
P. Pendidikan	590.423	5.873.101	10
Q. Aktivitas Kesehatan Manusia dan Aktivitas Sosial	209.048	893.338	4
R,S. Aktivitas Jasa Lainnya	1.148.296	2.363.281	2
Total	26.073.689	59.266.885	2

Sumber: BPS, SE2016-Lanjutan

Labor is part of the whole of any production system. The success of a company is not solely dependent on the efficiency of machinery and equipment, but much depends on the efficiency of the workforce. Therefore managers must understand how the workforce works, their physical abilities, the worker environment and behavior patterns (Manullang in Suswanti, 2019). Labor is a factor of production. recognized by every economic system both Islamic, capitalist and social economics. However, the nature of these factors of production in Islam is different. Needs are highly dependent on the moral and ethical framework. The relationship between workers and employers is carried out based on sharia provisions. so that labor as a factor of production in Islam cannot be separated in moral and social terms.

The success of a company is not solely dependent on the efficiency of machines and equipment, but much depends on the efficiency of the workforce. Therefore managers must understand how the workforce works, their physical abilities, work environment and behavior patterns. Analysis of workforce behavior requires an understanding of the motivations, desires and needs of the workforce. (Manulang in Suswanti, 2019).

According to Syahyuti (2008) in Ariessi and Utama (2017), social capital comes from hundreds or even thousands of interactions between people every day. Social capital is a phenomenon that grows from below, originating from people forming social relationships and networks based on principles "trust_ mutualreciprocity_ and_norm of action". Where norms through historical traditions originate from the procedures and attitudes of a person or a group of people will arise strong social capital and can regulate personal and group interests. These norms can informally regulate the relationship between one person and another so that it creates trust between them. Social capital is part of the economic criteria on the basis of trust that an economic activity can take place productively, efficiently and economically. (Yuliarmi, et al. 2013)

Income is income earned by a business from its business transactions, both from business operations and outside the business (Rahmi, 2014). With an increase in GDP, it is hoped that micro and small businesses can simultaneously grow the per capita income of low-income groups so that they can reduce poverty (LPPI, 2015)

Adam Smith's theory states that economic growth can be achieved through population growth and the total output produced. Total output describes the level of production of goods and services which is influenced by the availability of natural resources, labor and supplies of goods. To maximize output growth, all existing natural resources must be managed effectively and efficiently by labor with capital goods. With maximum output growth, it will be able to generate maximum income or profit as well. (Atmanti, 2017) states that in general there are two terms of understanding income, namely in the real sense and in the sense of external numbers. Income in the real sense is the value of the total production of goods and services produced by society during a certain period of time.

Based on the description above, the author is interested in conducting research with the title "The effect of financial capital, labor and social capital on the income of culinary MSMEs in Jagakarsa District".

Based on the background that has been stated above, the writer tries to state the problem firmly and clearly so that the whole research process can be directed and focused on the real problem.

The problem that the author proposes is

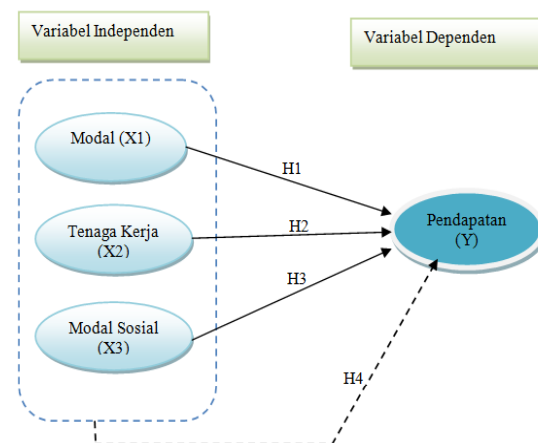
1. Does capital affect the income of culinary MSME actors in Jagakarsa District.
2. Does labor affect the income of culinary MSMEs in Jagakarsa District.
3. Does social capital affect the income of culinary MSMEs in Jagakarsa District.
4. Do capital, labor and social capital have a joint effect on the income of culinary MSMEs in Jagakarsa District.

Research purposes

1. Knowing and analyzing the effect of financial capital on the income of culinary MSMEs in Jagakarsa District.
2. Knowing and analyzing the influence of labor on the income of culinary MSMEs in Jagakarsa District.
3. Knowing and analyzing the effect of social capital on the income of culinary MSMEs in Jagakarsa District.
4. Knowing and analyzing the effect of financial capital, labor and social capital together on the income of culinary MSMEs in Jagakarsa District.

2. Conceptual Framework, Operational Definitions and Hypotheses

2.1. Framework



Gambar 3.1. Kerangka Pikiran

2.2. Operational Division

Namely the notion of a factor that can be used in a real way in a study. The variables used in this research are independent variables and dependent variables.

- a. Independent Variable/Independent Variable (X)

According to Sugiyono (2016), is "Independent variable (X) where variables are often referred to as variables that can encourage, predict and serve as a reference. This variable will affect or be the cause of a change in the dependent variable. The independent variables used are:.

- 1) Financial Capital (X1)
- 2) Labor (X2)
- 3) Social Capital (X3)

b. Bound Variable (Y)

According to Sugiyono (2016), is "Variables that are affected or become a result, because there are independent variables."

The dependent variable is Income (Y)

2.3. Hypothesis

Conjecture is the answer before research is carried out on the formulation of the problem, because it is still based on existing theory. And relevant, not yet based on empirical data obtained through data collection. Conjecture can be stated as a theoretical answer to the problem formulation, not yet a real answer (Sugiyono, 2016). From this frame of mind, it is assumed that:

H0: Capital, labor and social capital have no effect on their own

and together on the income of culinary MSME actors.

H1: Capital has an effect on the income of culinary MSME actors.

H2: Labor has an effect on the income of culinary MSME actors.

H3: Social capital affects the income of culinary MSME actors.

H4: Capital, labor and social capital have a joint effect on the income of culinary MSME actors.

RESEARCH METHODS

3.1. Research design

This research is an analytical survey with a quantitative approach namely the method of research based on events that actually occurred by using populations and samples according to the specifications and measurable studies with the hope of testing existing conjectures (Sugiyono, 2016).

3.2. Location and time

The research location is in Jagakarsa District, Administrative City of South Jakarta. Research time in May to July 2020

3.3. Population and Sample

The population used is culinary MSMEs in Jagakarsa District who have been registered at the Jagakarsa District Office. A total of 530 people. The number of samples used totaling

84 culinary MSME actors taken from the population using accidental techniques.

3.4. Data analysis

The research instrument uses a questionnaire constructed by researchers based on variable indicators. Data analysis using multiple linear regression was carried out with software applications on computer devices.

4. Analysis Results

4.1. Data Instrument Test, can be seen in Table 4.1.

Table 4.1
Viability and Reliability Test Results

Uji	Hasil	Keterangan
1. Uji Validitas	Nilai Sig < 0,05 dan Nilai R hitung > R tabel	Semua pertanyaan yang akan di sampaikan ke responden valid.
2. Uji Reliabilitas	Nilai Alpha Cronbach > Nilai standart reliabilitas	setiap varibael dinyatakan reliable

b. Classic Assumption

1) Normality Test

Can be seen in Table 4.2.

Table 4.2
Normality Test Results

Hasil Uji Normalitas One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		84
Normal Parameters ^{a,b}	Mean	0E-7
	Std. Deviation	1.88578415
Most Extreme Differences	Absolute	.065
	Positive	.065
	Negative	-.056
Kolmogorov-Smirnov Z		.598
Asymp. Sig. (2-tailed)		.867

a. Test distribution is Normal.

Based on the results of the Normality test, a value of 0.897 > 0.05 is obtained or the residual value of the dependent variable and independent variable is greater than the predetermined significant value so that the regression model can be used to test the hypothesis.

2) Multicollinearity Test

Can be seen in Table 4.3.

Table 4.4
Hasil Uji Multikolinieritas
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
Modal	.394	.077	.418	5.124	.000	.921	1.086
Tenaga Kerja	.792	.327	.662	2.422	.018	.802	1.230
Modal Sosial	.234	.057	1.113	4.109	.000	.380	1.005

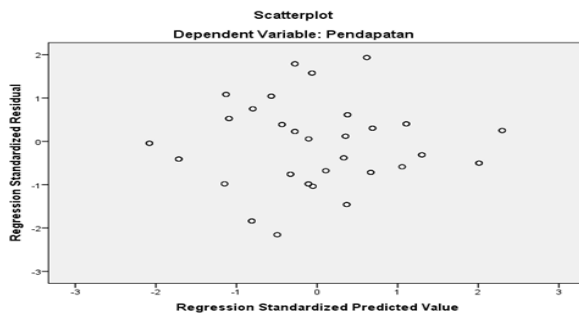
a. Dependent Variable: Pendapatan
Sumber: Data Diolah SPSS, Agustus 2020

From the results of the multicollinearity test, it can be concluded that there are no symptoms of multicollinearity between each independent variable in the regression model, namely by looking at the VIF, where there is no independent variable VIF value that has a VIF value greater than 10 so that it can be concluded that there is no correlation between independent variable or no multicollinearity symptoms.

3). Heteroscedasticity Test

Can be seen in Table 4.5

Table 4.5



Based on these results, it shows that the distribution of the points is below and above 0. Thus, it can be concluded that the regression model does not occur heteroscedasticity because it does not form a clear pattern.

c. Multiple Linear Regression Test

The results obtained can be seen in Table 4.6.

Table 4.6

Multiple Linear Regression Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
Modal	.394	.077	.418	5.124	.000	.921	1.086
Tenaga Kerja	.792	.327	.662	2.422	.018	.802	1.230
Modal Sosial	.234	.057	1.113	4.109	.000	.830	1.005

a. Dependent Variable: Pendapatan

Based on Table 4.6 Multiple Linear Regression, the following equation is obtained:

$$Y = 0.704 + 0.394X_1 + 0.792X_2 + 0.234X_3 + e$$

From the regression equation can be interpreted and conclusions are drawn as follows:

- 1) A constant value of 0.704 indicates that the value of the variables Capital (X1), labor (X2) and social capital (X3) are constant (fixed), then the value of income (Y) is 0.704 units.
- 2) The regression coefficient X1 (Capital Variable) is 0.394, meaning that if capital increases by 1 unit, the company's income (Y) will increase by 0.394. The coefficient is positive, meaning there is a positive relationship between capital and income. If capital increases, income will increase.
- 3) The regression coefficient X2 (labor) is 0.792, meaning that if the workforce increases by 1 unit, the company's income (Y) will increase by 0.792. The positive coefficient between the workforce and the income of culinary MSME actors states that the workforce has a positive influence on income.
- 4) The regression coefficient X3 (social capital) is 0.234 meaning that if social capital increases by 1 unit of company income (Y) it will increase by 0.234. The positive coefficient between social capital and company income states that labor has a positive influence on income.

d. Hypothesis Test

To test the existing hypothesis, testing:

1) T test

The results of the T test can be seen in Table 4.7

Table 4.7

**Hasil Uji T
coefficiens^a**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.704	2.337	-	.301	.7
Modal	.394	.077	.418	5.124	.0
Tenaga Kerja	.792	.327	.662	2.422	.0
Modal Sosial	.234	.057	1.113	4.109	.0

a. Dependent Variable: PENDAPATTAN
Sumber: Data Diolah SPSS, Agustus 2020

Based on the results of the tests that have been carried out in table 4.7 above, the following values are obtained:

a) Capital Variable (X1)

T count for variable X1 is 5,124 with a significance of 0.000 < 0.05. Variable X1 has T count, namely 5,124 with T table = 1.490 (df 84 with a significance of 0.05). So T count > T table so it can be concluded that variable X1 (capital) has an effect on variable Y (income of MSME actors) culinary). A positive value indicates that the variable X1 has a direct relationship with the variable. So it can be concluded that the capital variable has an influence and is significant on the income of culinary MSME actors.

b) Labor Variable (X2)

T count for the labor variable is 2,422 with a significance of 0.018 < 0.05. Variable X2 has a calculated T value of 2.422 with T table = 1.490 so T count > T table so it can be concluded that variable X2 (labor) has a contribution to variable Y (income of culinary MSME actors). A positive T value indicates that the X2 variable has a unidirectional relationship with Y. So it can be concluded that the labor variable has an influence and is significant on the income of culinary MSME actors.

c) Social Capital Variable (X3)

T count for the social capital variable is 4,109 with a significance of 0.000 < 0.05. Variable X3 has a calculated T value of 4.109 with T table = 1.490 so T count > T table so it can be concluded that variable X3 (social capital) has a contribution to variable Y (income of culinary MSME actors). A positive T value indicates that the X3 variable has a direct relationship with Y.

So it can be concluded that the social capital variable has an effect and is significant on the income of culinary MSME actors.

2) F test

The results of the F test can be seen in Table 4.8.

Table 4.8

**Hasil Uji F
ANOVA^a**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	308.075	3	102.692	27.833	.000 ^b
	Residual	295.163	80	3.690		
	Total	603.238	83			

a. Dependent Variable: Pendapatan

b. Predictors: (Constant), Modal Sosial, Modal, Tenaga Kerja
Sumber: Data Diolah SPSS, 2020

In the table above, the calculated F value is 27,833 > F table 2.72 and Sig. 0.000 < 0.005 so that it can be concluded that the independent variables include capital (X1), labor (X2) and social capital (X3) simultaneously and significantly influence the dependent variable, namely the income of culinary MSME actors (Y). So in other words the independent variables are able to explain the magnitude of the dependent variable income of culinary MSME actors.

3) Test the Coefficient of Determination (r2)

After the analysis was carried out, the results obtained were 4.9.

Table 4.9

**Hasil Uji Koefisien Determinasi
Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.715 ^a	.511	.492	1.92082	2.444

a. Predictors: (Constant), Modal Sosial, Modal, Tenaga Kerja

b. Dependent Variable: Pendapatan
Sumber: Data Diolah SPSS, 2020

Based on table 4.9 above, it can be seen that the results of the determination test on the summary model output from multiple regression analysis are precisely at an R Square value of 0.511. So, the effect of capital and labor on company income is 51.1%. Meanwhile, the remaining 48.9% is influenced by other variables that are not included in the research variables.

4. Language

4.1. Research Limitations

This research has been attempted to follow the procedure but there are still some obstacles, namely:

- a. This study uses quantitative analysis so that qualitative data cannot be obtained properly.
- b. The implementation of this research was in the conditions of the Covid19 Pandemic so that the obstacles to obtaining data included:
 - 1) surveys and interviews with respondents who have to follow very strict health protocols and Large-Scale Social Restrictions rules, thereby reducing the subject's activities outside the home.
 - 2) to get book references and research with similar titles is limited because it is done online so not many results are obtained.
 - 3) the seminar with the Zoom application is constrained by a bad internet signal so it is not optimal
- c. To obtain data on financial capital instruments, labor, social capital and income, questionnaires are used, so that respondents cannot control the answers according to reality.
- d. In this study, researchers only examined 3 factors, namely financial capital, labor, social capital and income so that this study could only provide information on how much influence these three factors had on income. Meanwhile, the influence of other factors not examined in this study cannot be known in detail.

4.2. The Influence of Capital (X1), Labor (X2) and Social Capital (X3) on Income (Y) culinary MSMEs in Jagakarsa District.

- a. Effect of Capital (X1) on the income of culinary MSMEs (Y):

Based on the results of the research conducted by distributing questionnaires to all respondents who are culinary MSME owners in Jagakarsa District and then analyzing the data, the results obtained are $t_{count} > t_{table}$ and the sig value shows that it is smaller than the significant level, this means that there is a positive and significant influence between capital and income of culinary MSMEs in Jagakarsa District. This is because capital is one of the most important factors of production for culinary MSMEs. In Culinary MSMEs, capital functions as a tool for carrying out production activities in addition to paying labor wages as well as for other costs.

Capital is very important for every production process, without capital, culinary MSMEs will not run smoothly. So that the higher the capital, the income of culinary MSMEs in Jagakarsa District will increase.

The results of this study are in line with the results of research conducted by Riza Fachrizal, that capital has a positive and significant effect on income, in conducting a business both large and small scale, of course costs or expenses (capital) are needed, be it production costs, purchasing raw materials, wages and other things related to doing business.

In accordance with the theory put forward by Apsari, that capital is a form of company investment including cash, receivables and inventory, paying employee wages and so on. Where capital is issued with the hope that it will be able to re-enter the company and make a profit.

The capital factor has an important meaning in a business where the size of the capital owned will greatly affect income and also business

development. An increase in capital will provide an increase in the manager's income, because the business has the opportunity to expand and increase its production capacity, which will then automatically increase its profits. So it can be concluded that capital has an effect on the income of culinary MSME companies in Jagakarsa District.

b. Effect of Labor (X2) on the income of culinary MSMEs (Y)

In this study it shows that the t test with the variable X2 (labor) shows a calculated t value of 2,422 with a Sig. 0.018 (<5%) with the existing conditions, namely if the value of Sig. < α then Ho is rejected. Thus it can be concluded that based on the standardized α value, Ho is rejected and H2 is accepted, or with the explanation that variable X2 (labor) has an effect on variable Y (income of culinary MSME actors).

Judging from the results of multiple linear regression analysis, the labor variable is the variable that has the highest ability to increase the income of culinary MSMEs, because its value is higher than capital and social capital.

This is in accordance with the theory put forward by Sukarwati, she argued that the workforce influences the income that will be received by entrepreneurs who can maximize their profits or income.

Adam Smith considers that humans are the main factor of production that carries out the prosperity of nations. Human resources or human resources will provide work effort or services that are obtained given in the production process.

According to Sumarsono, if many products are sold then the entrepreneur will increase the amount of production. An increase in the amount of production will result in an increase in the required workforce, so that thus income will also increase. Labor can assist in business processes and serve consumers so that consumer demand can be fulfilled. If consumer demand can be fulfilled then income will also increase. It can be

concluded that the relationship between labor and income is positive.

The number of workers is a factor of production that is needed in running culinary SMEs, in other words, without a workforce, it will not produce the expected output. The number of workers is very influential on the amount of production in culinary SMEs. If culinary MSME actors increase the number of workers, the amount of production in culinary MSME businesses will also increase. So it can be said that if the amount of production increases, the income earned will also increase.

c. The Effect of Social Capital (X3) on the Income of Culinary MSME Actors (Y)

This study shows that the t test with variable X3 shows a calculated t value of 4.109 with a Sig value. 0.000 (<5%) with the existing conditions, namely if the value of Sig. < α then Ho. Thus it can be concluded that based on the standardized α value, Ho is rejected and H3 is accepted, or with the explanation that variable X3 (social capital) has an effect on variable Y (income of MSME actors).

This is in accordance with Hafiz's research (2014) that the existence of social capital (trust, norms, and networks) has an influence on the level of income of tempe chip business actors in the tempe chip industry center in Sanan.

Putnam in Hapiz (2014), in his theory of social capital, says that social capital is productive, enabling the achievement of certain goals, without whose contribution these goals will not be achieved. This is in line with Simmel's statement in Hapiz (2014) which says that modern humans have made money their main goal, so that through social capital, existing within groups or communities (trust, norms, and networks) can be used as one of the capitals of business actors. to get a larger economic motive (profit).

The pillars of social capital according to Palmam (2000) are trust, network existence, and ease of cooperation. Therefore, it can be said that social capital is cooperation between

citizens or between individuals to produce collective action. People who have high social capital tend to work in mutual cooperation, feel safe to speak up, and are able to overcome differences. On the other hand, in a society that has low social capital, there will be suspicion of one another, spread of 'our group' and 'their group', lack of legal certainty and social order, and the frequent appearance of 'scapegoats'.

d. Influence of Capital (X1), Labor (X2) and Social Capital (X3) Simultaneous Income for Culinary MSME actors (Y).

Taken together the three variables above, namely capital, labor and social capital, affect the income of culinary MSME actors in Jagakarsa District. This is evidenced by the results of the regression test which shows that of the three variables capital, labor and social capital from the statistical test results F obtained a value of Sig. 0.000 (<5%) in the sense that it is less than standardized α (0.005) which means that together the variables X1 (capital), X2 (labor) and social capital (X3) have a significant effect on variable Y (income). Based on the results of multiple linear regression tests, it shows that the variables capital, labor and social capital together have a significant effect on the income of culinary MSMEs in Jagakarsa District. Of the three independent variables, the value of the labor coefficient is greater than capital and social capital, this means that labor can be the highest factor in increasing income. This can happen if a lot of products are sold so that entrepreneurs can increase the amount of production. With an increase in the amount of production, the required workforce will also increase, so that income will also increase. Here the workforce can be empowered to serve consumers so that consumer demand will be fulfilled so that consumers will feel happy and make purchases, this can increase income. This is in accordance with Adam Smith in Rosadi (2019), the

main elements of the production system, namely capital and labor, actively determine the level of output. While social capital is part of the economic criteria on the basis of trust, an economic activity can take place productively, efficiently and economically. (Yuliarmi, et al. 2013) so that it will indirectly increase income. Mutual trust and the willingness and willingness of each group member to help each other are the most important social capital in a group to develop their potential to improve shared welfare. Meanwhile, from the test results of the coefficient of determination (r^2) a coefficient value of 0.511 is obtained, in other words, the effect of capital, labor and social capital on the income of culinary MSMEs in Jagakarsa District is 51.1% while the remaining 48.9% is influenced by other variables. which are not included in the research variables.

CONCLUSION

5.1. Conclusion

Based on the results of the study it can be concluded as follows:

- a. Financial capital affects the income of culinary MSMEs in Jagakarsa District.
- b. The workforce influences the income of culinary MSMEs in Jagakarsa District.
- c. Social Capital affects the income of culinary MSMEs in Jagakarsa District.
- d. Financial capital, labor and social capital jointly affect the income of culinary MSMEs in Jagakarsa District.
- e. MSMEs need stimulus from various parties, especially from the government and stakeholders to develop. Stimulus can be in the form of policies, capital, and training for human resources to behave hygienically because the food industry is related to health problems.

SUGGESTION

- a. Culinary MSMEs in Jagakarsa District are expected to maintain continuity especially during the pandemic by utilizing existing capital. The more capital that is issued and used,

- it will automatically increase the income of culinary MSMEs in Jagakarsa District.
- b. Employment support is also needed, the number of workers, and the quality of the workforce to increase production which will have an impact on increasing the income of Culinary MSME actors in Jagakarsa District.
 - c. The existence of social capital (trust, norms, and networks) has an influence on the level of income of culinary MSMEs in Jagakarsa District because through social capital, existing within groups or communities (trust, norms, and networks) can be used as one of the capitals of business actors to get an economic motive that is greater profits.
 - d. Culinary MSMEs in Jagakarsa District are expected to be able to maintain the quality of their business both in terms of quantity and quality by working closely with their groups and under the direction of officers from Jagakarsa District through breakthroughs and strategies so they can survive the conditions of the Covid 19 pandemic.
 - e. It is hoped that local governments will participate and provide solutions for MSMEs to get through the pandemic by:
 - 1) Providing assistance to MSME actors so that MSME actors can remain enthusiastic in dealing with the Covid19 pandemic, by providing online training.
 - 2) provide convenience and generosity for MSMEs in accessing the internet so that MSMEs can make sales through online applications, because during this pandemic, MSMEs' income can increase 6 times through online business.
 - 3) Follow the rules that have been determined, especially for the ease of obtaining financial capital credit for MSME working capital.
 - 4) Take action by reallocating budgets and policies to provide economic incentives for MSMEs so that MSMEs can continue to produce and be active and not layoffs.

- 5) Delaying installments for up to one year while at the same time lowering interest for MSMEs or fishermen who have credit.
- 6) Conducting training for culinary MSMEs on packaging issues and making products that are more hygienic because they relate to food.

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