

The Effect of Capital Quantity and Education Level on Income of Grocery Traders at Lubuklinggau Inpres Market

Siti Patimah, Gunadi Rusydi & Indrawati Mara Kesuma

Universitas Bina Insan, Lubuklinggau, Indonesia

Email: siti.20fa@gmail.com

Abstract

This study was to determine the effect of the quantity of capital and the level of education on income of grocery traders at lubuklinggau inpres market. This research was quantitative study with 40 respondents. Instrument tests in this study were validity and reliability tests. The data analysis method used inferential analysis consisting of multiple linear regression analysis, classical assumption test, regression line variance analysis, multiple determination coefficients, F test, t test, multiple regression line effectiveness, standard error of estimate. The results of this study indicate that the variable quantity of capital has a positive and significant effect on income of grocery traders at lubuklinggau inpres market. The variable level of education has no influence and was significant to income of grocery traders at lubuklinggau inpres market. In together, the variable quantity of capital and education level has a positive and significant influence on income of grocery traders at lubuklinggau Inpres market.

Keywords: quantity of capital, level of education, income

1. Introduction

National development covers all aspects of life, one of which is in the economic sector. Economic development is something that absolutely must be implemented if a nation wants to improve the standard of living and welfare of its people. Economic development must be pursued with the existing capabilities and capacities, both with the ability of the nation itself and with the help of other countries. In other words, development itself is a conscious and directed effort of a nation to improve the welfare of its people through the utilisation of all available resources, both from within and from abroad. Development in the economic sector is carried out to achieve equitable distribution of development results, one of which is the traditional trade centre.

According to Rosetyadi (2012), traditional markets have always been a national indicator of food stability such as rice, sugar and other basic necessities. If there is a shortage of one of the basic needs such as rice, for example, this can cause the government to panic because rice is the main staple food in Indonesia.

In starting a trading business, one of the important things needed is capital. The amount of capital has a very important role in doing business, including trading. In Indonesia, the problem of capital is the dominant problem for trade (Yutinus, 2002). Capital is the main factor needed to develop a business unit. Low capital is one of the obstacles for a business activity. According to Ramlan Tapelo (2013) the higher the quantity of capital used, this will affect the level of income earned by basic food traders during a period, because excess or lack of capital can affect the company's activities.

People in Lubuklinggau struggle to earn income through the informal sector with limited

skills. They had Informal sector with their limited abilities. The most common informal sector in Lubuklinggau is that of grocery traders. This sector is also very important for the labour force that does not meet formal education requirements.

Education is considered a means to obtain quality human resources, because, education is considered capable of producing a high-quality workforce, has a pattern of thought and a modern way of acting. It is human resources like this that are expected to be able to move the wheels of development forward by increasing the income of the businesses they run.

Presidential Instruction Market (Pasar Inpres) is one of the traditional markets in Lubuklinggau; Inpres market trader area was located on Jendral Sudirman Street, Pemiri Village, West II Lubuklinggau District. Inpres market was a potential market because of its location in the city centre, Inpres market was also the largest traditional market in Lubuklinggau. Lubuklinggau Inpres Market was a strategic trading area as a regional service centre that serves the surrounding areas, such as Musi Rawas and North Musi Rawas districts. Inpres Market was a potential market, as it was located in the city centre.

Because of the various traders at Inpres Lubuklinggau market, researchers focus their research on grocery traders because the grocery business was a business in demand by many people, both from people who have large and small capital. Every day there were more and more people who have a grocery business, because everyone must need basic necessities.

Based on the description above, the researcher was interested in conducting research with the title "The Effect of Capital Quantity and Education Level on Income of Grocery Traders at Lubuklinggau Inpres Market".

2. Literature Review

The definition of capital according to the big Indonesian dictionary is money used as a principal (parent) to trade, release money, and so on; property (money, goods and so on) that can be used to produce something that increases wealth. Capital in this sense can be interpreted as a sum of money used in carrying out business activities. According to Lilik Siswanta (2011), capital is a form of wealth in the form of money and goods owned by someone that can be used directly or indirectly in the production process to produce output. Capital is very vital in a business or company. Without capital the business cannot run properly, starting from large businesses and even small businesses need capital to run their business. Meanwhile, according to Wibowo and Abu Bakar (2008), capital is the remaining rights to a company's assets after deducting third party rights. According to Mardiyatmo (2008) capital is divided into three, namely: own capital, foreign capital, and joint venture capital.

The 1945 Constitution explicitly regulates the importance of education for citizens of the Republic of Indonesia. Article 31a of the 1945 Constitution reads "every citizen has the right to receive instruction". While article 31b reads "the government shall endeavour and organise a national teaching system, which shall be regulated by law". The mandate of this law clearly illustrates that education has considerable benefits so that it becomes the right of every citizen to get it and becomes an obligation for the State to organise it.

According to Carter V, Good in Robinson Tarigan (2006) education is the development

of a person's skills in the form of attitudes and behaviours that apply in his society and the social process in which a person is influenced by a guided environment (eg school) so that he can achieve social skills and develop his personality. Dwi Suryanto (2011) explains that education is a very useful investment for economic development.

Income according to Soediyono (2012) is the income received by members of society for a certain period of time as a reward for the factors they contribute in participating in shaping national production. According to Zaki Baridwan (2002) revenue is the volume of goods sold multiplied by the total price of goods before deducting costs. Revenue is a very important element in a trading business, because in doing a certain business you want to know the value or amount of income earned while doing this business. In the economic sense, income is a reward for the use of factors of production owned by the household sector and the corporate sector which can be in the form of wages/wages, rent, interest and profits/profits (Sukirno S, 2000). BPS provides an understanding of income which is classified into three, namely as follows: (1) Income in the form of money, which is income in the form of regular money that is usually received as a reward or contraprestasi. (2) Income in kind, is as income that is regular in nature but not always in the form of compensation received in the form of goods and services. (3) Receipts that are not income, namely receipts in the form of savings withdrawals, sales of used goods, loans, gifts, inheritances and so on.

3. Research Method

The research uses quantitative research methods with an associativ approach. The effect of the quantity of capital and the level of education on income of grocery traders at Lubuklinggau Inpres market was discussed in this study. This study uses quantitative causal research methodology. The quantitative research method was also known as the international approach because it has long been a model and direction for other researchers conducting their own studies. Research that can be achieved (obtained) using statistical techniques or other quantification techniques were referred to as quantitative research. (Measurements). The independent variables in this study were the quantity of capital (X1) and the level of education (X2) and the dependent variable was income (Y). This study uses primary data and then tabulated using the SPSS computer programme. In this study, the analysis method used was the Multiple Regression Analysis method.

4. Findings and Discussions

The Effect of Capital Quantity on Income of Grocery Traders. From the research results obtained t_{table} 1.68385 and t_{itung} 15.299. Because the t_{count} of 15.299 (rounding) was greater than the t_{table} 1.68385, thus the quantity of capital affects the income of grocery traders in the Lubuklinggau Inpres market. This means that grocery traders with large capital will earn more income than traders who trade with small capital.

The results showed that the quantity of capital has a positive and significant effect on the income of grocery traders at Lubuklinggau Inpres market, meaning that if grocery traders increase business capital and increase the quantity and type of goods sold, then the income of grocery traders will increase. Conversely, if the grocery trader reduces his business capital, the income will decrease.

The results of this study were in line with the results of research conducted by Prisilia

Monica (2019) with the research title Analysis of the Effect of Capital, Length of Business, and Number of Workers on Micro, Small and Medium Enterprises Income in Langowan Timur District with the results of the research t count for the business capital variable = 13.347 while the t table ($\alpha 0.05/2$; 30-3-1 to $\alpha 0.025$; 26) is 2.056. The t test results show that $t_{count} (13.347) > t_{table} (2.056)$, thus it can be concluded that business capital has an influence on the income of MSME entrepreneurs in Langowan Timur District.

This research is also in accordance with the results of research conducted by Syafrilia Syaifullah (2019) with the research title Factors Affecting the Income of Street Vendors on Jalan Talasalapang, Rappocini District, Makassar City, Based on the results of data analysis, it was obtained that the t value of capital was 5.609 with a probability of 0.000. The probability value is smaller than 0.05 ($0.000 < 0.05$) it means that capital affects the income of street vendors on Jalan Talasalapang, Rappocini District, Makassar.

This research is also strengthened by the results of research conducted by Nirwana (2021) results showed that business capital has an influence on trader income. It was shown through the results of the T test the regression coefficient of the business capital which in this study is variable X1 has a significance value of 0.000 or less than 0.05, which means that there was an influence between business capital variable on the income variable Y.

Cobb-Douglas theory states that capital affects production output. This condition shows that the higher the capital will be able to increase production output, because the production process requires costs used for labour and the purchase of raw materials and equipment (Sulistiana, 2013). As capital and labour increase, productivity and income will also increase (Frabdorf, 2008).

The Effect of Education Level on Income of Grocery Traders. From results of the research obtained $t_{table} 1.68385$ and $t_{count} 0.131$. Because the t_{count} of 0.131 (rounding) is smaller than the $t_{table} 1.68385$, thus the level of education has no effect on the income of grocery traders at Lubuklinggau Inpres market. Thus the level of education only affects the ability formally while the amount of income is determined by the ability technically and the amount of capital used.

The results showed that the level of education did not have a positive and significant influence on the income of grocery traders at Lubuklinggau Inpres Market. This implies that the higher the level of education of basic food traders will not simultaneously increase income and vice versa the low level of education of basic food traders will not necessarily reduce the income of basic food traders at Inpres Lubuklinggau market.

This research was also reinforced by the results of research conducted by Aulia AR (2018) which shows that the variable level of education was has not significant to income level of losari beach street vendors in Makassar. A person's level of education in trading was not influenced by the income of street vendors on Losari Beach, Makassar. The results of this study were also in line with Teguh Susilo (2015) which states that the level of education was not significant to the income of fried food entrepreneurs in Makassar. This research was also reinforced by the results of research conducted by Aulia AR (2018) which shows that the variable level of education is not significant to the income level of street vendors on losari beach, Makassar. A person's level of education in trading was not

influenced by the income of street vendors on Losari Beach, Makassar.

The results of this study were also in line with Nirwana (2021) which states that the level of education was not significant to the income of traders around the UIN alauddin makassar campus. The results of this study on the level of education on the income of traders, it was known that the significance value for the effect of education level (X3) on income (Y) is $0.333 > 0.05$. So it can be concluded that there was no significant influence on the level of education (X3) on income (Y). In line with research conducted by Wahyono (2017), the results of the analysis obtained a sign value. 0.299. This shows that the education variable partially has no influence on the income of traders in Bantul Market. In other words, how high the education of the traders will not affect their income.

The Effect of Quantity of Modan and Level of Education on the Income of Basic Food Traders. On results of the test conducted, the calculation results obtained $F_{table} = 3.62$ and $F_{hitung} = 142.241$ (rounding). Because $F_{hitung} = 142.241$ is greater than $F_{tabel} = 3.62$, thus simultaneously the quantity of capital and the level of education affect the income of grocery traders at Lubuklinggau Inpres market. The results showed that together, the quantity of capital and the level of education had a very strong and significant influence on the income of grocery traders in the Lubuklinggau Inpres Market. This was reinforced by the results of research conducted by Putu Martini Dewi (2014) Capital and education simultaneously affect the income of UMKM in the Imam Bonjol Area, West Denpasar.

5. Conclusion

From the research results obtained $t_{table} 1.68385$ and $t_{hitung} 15.299$. Because the t_{count} of 15.299 (rounding) was greater than the $t_{table} 1.68385$, thus the quantity of capital affects the income of grocery traders at Lubuklinggau Inpres market. It means that grocery traders with large capital will earn more income than traders who trade with small capital. The results showed that the quantity of capital has a positive and significant effect on income of grocery traders at Lubuklinggau Inpres market, It means that if grocery traders increase business capital and increase the quantity and type of goods sold, then income of grocery traders will increase. Conversely, if the grocery trader reduces his business capital, the income will decrease.

Then there was no significant effect of the variable level of education on the variable income of grocery traders in the Lubuklinggau Inpres market, seen from the t_{table} value of 1.68385 and $t_{count} 0.131$. Because the t_{count} of 0.131 (rounding) was smaller than the $t_{table} 1.68385$, thus the level of education has no effect on the income of grocery traders at Lubuklinggau Inpres market. Thus the level of education only affects the ability formally while the amount of income is determined by the ability technically and the amount of capital used. It because traders have not need specific skills learnt in formal education.

Based on the results of the test conducted, the calculation results obtained $F_{table} = 3.62$ and $F_{hitung} = 142.241$ (rounding). Because $F_{hitung} = 142.241$ is greater than $F_{tabel} = 3.62$, thus simultaneously the quantity of capital and the level of education affect income of grocery traders at Lubuklinggau Inpres market. The results showed that together, the quantity of capital and the level of education had a very strong and significant influence on income of grocery traders at Lubuklinggau Inpres Market.

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