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THE INFLUENCE OF BUSINESS CAPITAL ON THE INCOME OF CULINARY TRADERS ON THE CEMPAE TANGGUL IN PAREPARE CITY (ISLAMIC ECONOMIC ANALYSIS)

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Abstract

Capital is one of the production factors that affect the level of income. This study aims to determine how well the business capital and income of culinary traders on the Cempae Embankment in Parepare City, whether there is a positive and significant influence between business capital and income, and to determine the effect of business capital on the income of culinary traders on the Cempae Embankment in Parepare City. The approach used in this research is an associative approach, with the type of field research and the method used is quantitative method, especially descriptive quantitative. This study examines the effect of business capital on the income of culinary traders on the Cempae Embankment, Parepare City. Using an associative approach and descriptive quantitative methods, the research lasted 31 days. The results showed: 1. Business capital and trader income are in the good category. 2. There is a positive and significant relationship between business capital and income, with a moderate correlation level. 3. Business capital affects income, where every additional 1% of business capital increases income by 0.025. 4. Business capital affects 50.6% of income, while 49.4% is influenced by other factors outside this study.

Introduction

Economic development is the process of increasing a country's long-term per capita income, starting from the smallest sector to the most equitable. Science, technology and entrepreneurial spirit play an important role in successful development. A person's socioeconomic condition is measured through employment, education and income.

The economy is supported by both the formal and informal sectors. The informal sector, including trade, absorbs labor that is not accommodated in the formal sector. Culinary business is one of the growing fields, including in Parepare City with Cempae Embankment as an example.

Revenue is a measure of business success. Capital is an important factor in starting and developing a trading business, which can be sourced internally or externally. The size of capital affects income.

The table shows the average business capital of culinary traders on the Cempae Embankment in Parepare City, with the majority of traders having capital between Rp.1,500,000 - Rp.2,500,000. Capital is considered one of the production factors that affect the level of income and business operations

LITERATURE REVIEW

1. Business Capital

a. Definition of Capital

Capital in the business world has various definitions, covering both material and non-material aspects required to build and run a business. Capital can be divided into two main types:

1) Fixed Capital: Costs that do not run out in one production process, such as land, buildings, and machinery.

2) Non-fixed capital: Costs that are consumed in one production process, such as raw materials.

• Capital sources are generally divided into:

1) Own Capital: Funds from the business owner, usually limited.

2) Borrowed Capital: Funds from external sources, often used for business development.

• Business capital indicators include:

1) Capital structure

2) Utilization of additional capital

3) Business situation after capital increase

4) Barriers to accessing external capital

2. Revenue

a. Definition of Income

Income is the total money or material proceeds that a person or household receives from the use of wealth or services in a given period. It includes various sources such as salary, own business, and side income.

According to Wirandi, "Income shows all money or other material results achieved from the use of wealth or services received by a person or household during a certain period of time in an economic activity".3 According to Sadono Sukirno in his book entitled "Introduction to Macroeconomic Theory", defining income is money received and given to economic subjects based on the achievements submitted, namely in the form of income from both professions carried out alone or individual businesses and income from wealth. The amount of a person's income depends on the type of work or profession he does. 4 Tambunan defines income as the amount a person earns when working or running a business either per week, per month, or per year.

Income can be categorized into four levels: low, medium, high, and very high, based on average monthly amounts. Factors affecting income include trader conditions, markets, capital, business organization, and the number and types of production factors owned. Income indicators include the amount received per month, occupation, school fee budget, and family expenses. As an important element in the trading business, income can be calculated through expenditure, production, or direct income methods. Understanding income and the factors that influence it is very important in managing personal and business finances.

3. Islamic Economic Theory

a. Islamic Economics

Basically, the economy in the Islamic perspective boils down to the creed that comes from Islamic law. Islamic economics is a science that studies the economic problems of society based on Islamic values. Some experts such as M. Umer Chapra, S.M. Hasanuzzamann, M.A. Mannan, Khursid Ahmad, and M.N Siddiq have provided slightly different definitions but in essence refer to the application of Islamic principles in economic activities. The objectives of the Islamic economic system include the fulfillment of basic human needs, equality of opportunity, prevention of concentration of wealth, freedom in accordance with moral values, and economic stability and growth.

M.N Siddiq defines Islamic economics as the response of Islamic thinkers to economic challenges whose sources of jurukuan come from the Qur'an and As-Sunnah as well as reason and experience. In carrying out economic activities, Muslims are encouraged to apply the characteristics of prophets and apostles, namely:

1. Shidiq (True/Honest)
2. Tabligh (Conveying the Truth)
3. Amanah (trustworthy)
4. Fathanah (Intellect)

The application of these traits in economic activities is believed to create effectiveness, efficiency, transparency, responsibility, and avoid harmful economic practices such as corruption and fraud.

b. Capital in Economic Perspective

Islamic economics holds the view that capital must continue to rotate and develop so that the circulation of capital/money does not stop. Because if capital/money stops (hoarded) then the treasure will not bring benefits. Islam prohibits hoarding of wealth, instead encouraging the circulation / rotation of wealth to bring benefits. Islam emphasizes strongly that a person spends his property for the good of his family and others, and calls it an act of worship.

Research Methods

1. Type of Research

This type of research is field research or often called field research. Field research is conducted by exploring data sourced from the location or place of research, in this case culinary traders on the Cempae Embankment in Parepare City.

2. Population and Sample

Population is a generalization area consisting of objects or subjects that have certain qualities and characteristics set by researchers to study and then draw conclusions.7 The population in this study were culinary traders on the Cempae Embankment in Parepare City. The number of culinary traders on the Cempae Embankment is 66 people. Then the sample determination was carried out using purposive sampling method, the sample unit contacted was adjusted to certain criteria set based on the research objectives. The social situation for the initial sample is highly recommended, a social situation in which it becomes a kind of estuary of many other domains. Furthermore, it is stated that, samples as data sources or as informants should meet the following criteria:

1) Those who master or understand something through the process of enculturation, so that something is not just known, but also lived.

2) Those who are classified as still being involved or involved in the activities being researched.

3) Those who have sufficient time to be asked for information.

4) Those who don't tend to convey their own "packaged" information.

5) Those who are initially quite unfamiliar with the researcher so that it is more appropriate to be used as a kind of teacher or resource person. Kerlinger suggests using 30 samples as the minimum number of samples in quantitative research, because with a minimum of 30 samples, the distribution of values will approach the normal curve 28 So the number of samples in this study was 30 respondents, taking the minimum sample reference in a quantitative study according to Kerlinger.

3. D. Data Collection Technique

The data collection techniques used in this study are: 1. Questionnaire (Questionnaire) The questionnaire is an information collection technique that allows the analysis to study the attitudes, beliefs, behaviors, and characteristics of some of the main people in the organization who can be affected by the proposed system or by existing systems.29 Basically, a questionnaire is a data collection technique that is carried out by giving a set of written questions to respondents to answer.30 In this study, the questionnaire was addressed to culinary traders on the Cempae Embankment in Parepare City.

4. Data Analysis Technique

This research uses a descriptive analysis method with a quantitative approach. In quantitative research, data analysis is an activity after data from all respondents or from other sources have been collected. This research uses a descriptive analysis method with a quantitative approach. Data analysis includes:

- Data Validity and Reliability Test

1. The validity test uses the Pearson correlation method

2. Reliability test using Cronbach Alpha

- Classical Assumption Test

1. Normality Test
2. Heteroscedasticity Test

- Pearson Product Moment Correlation Test
- Simple Linear Regression Analysis

Formula: Y = a + βX + e

Y = Trader's Income X = Business Capital

- Hypothesis Test

1. Partial Test (t Test)
2. One Sample T-test
3. Coefficient of Determination (R^2)

Data processing using the SPSS program. Regression analysis aims to determine the effect of business capital (X) on trader income (Y). Validity and reliability tests ensure the research instruments are valid and consistent. The classical assumption test checks the normality and heteroscedasticity of the data. Correlation and regression tests measure the relationship and influence between variables. Hypothesis testing determines the significance of the influence of the independent variable on the dependent variable

Result and Discussion

1. Pearson Product Moment Correlation Test Correlation is a value that gives the strength of the influence or relationship of two or more variables, where one or part of the variable X is constant or controlled. The correlation test is used to determine the effect or relationship of variables X and Y where one of the X variables is made constant:

Uji Korelasi Pearson Product Moment

Correlations

		Modal	Pendapatan
Modal	Pearson Correlation	1	.438**
	Sig. (2-tailed)		.001
	N	30	30
Pendapatan	Pearson Correlation	.438**	1
	Sig. (2-tailed)	.001	
	N	30	30

*. Correlation is significant at the 0.05 level (2-tailed).

Sumber data : diolah menggunakan SPSS Versi 29

2. Simple Linear Regression Analysis

Analysis of the results of research on the effect of business capital on the income of culinary traders on the Cempae Embankment in Parepare City was analyzed using quantitative methods. This analysis is used to prove the hypothesis proposed using simple linear regression analysis. Proof is intended to test Business Capital (X) on Income (Y) by testing the meaningfulness of the regression coefficient. Based on calculations with the help of the SPSS version 29 program, the following is obtained:

1) Based on the significance value of

Regresi Linear Sederhana

Coefficients[a]

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
(Constant)	19.848	6.653		2.393	.001
Modal Usaha	.025	.395	.438	.063	.001

a. Dependent Variable: Pendapatan

Sumber data : diolah menggunakan SPSS Versi 29

the Coefficients table, the significance value is 0.001 <0.05 so it can be concluded that the business capital variable (X) has an effect on the income variable (Y).

2) Based on the t value, it is known that the t value is 3.395> t table 2.048, so it can be concluded that the variable Length of Business (X) has an effect on the Income variable (Y).

3) Partial Test (t Test)

Partial tests are used to determine how the independent variable individually (partially) affects the dependent variable.

Uji Parsial (Uji t)

Coefficients[a]

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	19.848	6.653		3.393	.001
Modal Usaha	.025	.395	.438	.063	.001

a. Dependent Variable: Pendapatan

Sumber data : diolah menggunakan SPSS Versi 29

Based on the table above, it can be seen that the Sig. value for production costs is 0.001. Sig. value is smaller than the probability value of 0.05 or the value of 0.001 <0.05, then Ha is accepted and H0 is rejected. Variable X has a tcount of 3.395 with ttable = 2.048. So tcount> ttable so it can be concluded that variable X has a unidirectional relationship with variable Y or it can be concluded that Business Capital has a significant effect on Income.

4) One Sample T-test

The One Sample T-test in principle wants to test whether a certain value (which is given as a comparison) is significantly different or not from the average of a sample. A certain value here is generally a parameter value to measure a population. To find out how well Business Capital and Income of culinary traders on the Cempae Embankment, Parepare City.

a) Business Capital (X)

Decision making as follows: if H0 is smaller or equal to 65% of the ideal score and Ha is greater than 65% of the ideal score.

H01 = μ < 65%

Ha1 = μ > 65%

Uji One Sampel T-test Variabel Modal Usaha (X)

One-Sample Test

Test Value = 65

	T	Df	Significance One-Sided p	Significance Two-Sided p	Mean Difference	95% Confidence Interval of the Difference Lower	95% Confidence Interval of the Difference Upper
X	-53.998	29	<,001	<,001	-21.767	-22.59	-20.94

Sumber data : diolah menggunakan SPSS Versi 29

Based on the results of the one sample t-test above with a confidence level of 95%, the tcount value of variable X (business capital) is obtained -53.998 compared to the ttable value with degrees of freedom (dk) = n-2 (30-2 = 28) with a significance level of α = 0.05 so that the ttable (2.048). With the tcount value smaller than the ttable (-53.998 < 2.048), then H0 is accepted and Ha is rejected. The value (-) obtained is a determination, where if the value is greater than the significance then H0 is rejected. Thus, culinary traders on the Cempae Embankment in Parepare City are good at using business capital because> 65%, so it is in the good category, namely in the classification score 68.01% - 84.00%.

b) Income (Y)

Decision making as follows: if H0 is smaller or equal to 65% of the ideal score and Ha is greater than 65% of the ideal score.

H01 = μ < 65% Ha1 = μ > 65%

Uji One Sampel T-test Variabel Pendapatan (Y)

One-Sample Test

Test Value = 65

	T	Df	Significance One-Sided p	Significance Two-Sided p	Mean Difference	95% Confidence Interval of the Difference Lower	95% Confidence Interval of the Difference Upper
Y	-41.184	29	<,001	<,001	-22.200	-23.30	-21.10

Sumber data : diolah menggunakan SPSS Versi 29

Based on the results of the one sample t-test above with a confidence level of 95%, the tcount value of variable Y (Income) is obtained -41.184 compared to the ttable value with the degree of freedom (dk) = n-2 (30-2 = 28) with a significance level of α = 0.05 so that the ttable (2.048). With the tcount value smaller than the ttable (-41.184 < 2.048), then H0 is accepted and Ha is rejected. The value (-) obtained is a determination, where if the value is greater than the significance then H0 is rejected. Thus, culinary traders on the Cempae Embankment in Parepare City are good at earning income because> 65%, so it is in the good category, namely in the classification score of 68.01% - 84.00%.

5) R2 Determination Coefficient Test

Uji Koefisien Deterninasi R2

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.438[a]	.506	.215	2.227	5.302

a. Predictors: (Constant), Pendapatan

b. Dependent Variable: Modal Usaha

Sumber data : diolah menggunakan SPSS Versi 29

Based on the table above, the results of testing the coefficient of determination R2 are as follows:

1) Based on table 4.37, it can be seen that the R Square or coefficient of determination is 0.506 and the Adjusted R Square value is 0.438 or 43.8%. then, it

can be concluded that the level of correlation and strength of relationship with this value has a moderate level of relationship.

2) From the Model Summary table above, it can be seen that R Square is 0.506, this value means that 50.6% of income is influenced by business capital (X) and 49.4% is influenced by other factors not included in this study.

Business capital for culinary traders at Cempae Embankment in Parepare City includes material and non-material aspects needed to build a business. Material capital includes money, buildings, machinery and raw materials, while non-material capital includes skills, relationships and reputation. This research focuses on material capital in the form of money. From an Islamic economic perspective, capital must be constantly rotating and growing to bring benefits. Islam prohibits the hoarding of wealth and encourages the circulation of capital for the good of the family and society as a form of worship. This is explained in the Qur'an Surah Al- Baqarah verse 267. The culinary traders on the Cempae Embankment in Parepare City apply this principle by rotating their capital continuously for business continuity and profit. This practice is in line with Islamic teachings which emphasize the use of wealth for human benefit and as a means of worship to Allah SWT.

Based on the results of the one sample t-test test with a confidence level of 95%, the tcount value of variable X (business capital) is obtained -53.998 compared to the ttable value with the degree of freedom (dk) = n-2 (30- 2 = 28) with a significance level of α = 0.05 so that the ttable (2.048). With the tcount value smaller than the ttable (-53.998 < 2.048), then H0 is accepted and Ha is rejected. The value (-) obtained is a determination, where if the value is greater than the significance then H0 is rejected. Thus, culinary traders on the Cempae Embankment in Parepare City are good at using business capital because> 65%, so it is in the good category, namely in the classification score 68.01% - 84.00%.

Income of culinary traders on the Cempae Embankment, Parepare City, and its relationship with an Islamic perspective. Income is used as a measure of the economic condition of an individual or household. Islam regulates how to obtain income, prohibits false methods, and requires halal economic endeavors. Traders are encouraged to emulate the prophet's qualities such as Shidiq, Tabligh, Amanah, and Fathanah in their economic activities. The culinary traders at Cempae Embankment try to apply Islamic values in their business. In the Islamic view, income must be in accordance with sharia and is often used as a measure of community welfare. The economic level of the community is determined by the amount of income and the number of family dependents.

Based on the results of the one sample t-test test with a confidence level of 95%, the tcount value of variable Y (Income) is obtained -41.184 compared to the ttable value with the degree of freedom (dk) = n-2 (30- 2 = 28) with a significance level of $\alpha = 0.05$ so that the ttable (2.048). With the tcount value smaller than the ttable (-41.184 < 2.048), then H0 is accepted and Ha is rejected. The value (-) obtained is a determination, where if the value is greater than the significance then H0 is rejected. Thus, culinary traders on the Cempae Embankment in Parepare City are good at earning income because> 65%, so it is in the good category, namely in the classification score of 68.01% - 84.00%.

Positive and Significant Relationship between Business Capital and Income of Culinary Traders on the Cempae Embankment, Parepare City Judging from the results of correlation testing, it shows that there is a positive and significant relationship between business capital and the income of culinary traders on the Cempae Embankment, Parepare City. The relationship between business capital (X) and income (Y) can be seen in the Correlation table. The correlation coefficient value is 0.438 with a significance of 0.001. So, it can be concluded that H0 is rejected and H1 is accepted, because sig. 0.001 <0.05 or there is a positive and significant relationship between business capital and the income of culinary traders on the Cempae Embankment in Parepare City.

The Effect of Business Capital on the Income of Culinary Traders on the Cempae Embankment, Parepare City In simple regression testing, the results of the equation from the SPSS calculation are Y = 19.848 + 0.025 X. This means that the constant (trader income variable) of 19,848 with a regression coefficient of 0.025 states that every 1% increase in the value of business capital, the income value of culinary traders will increase by 0.025 the regression coefficient is positive so that it can be said that the direction of the influence of variable X on Y is positive. In addition, from the simple linear regression test, the tcount value is 3.395> ttable 2.048 and the significant value is 0.001 <0.05, so H0 is rejected and H1 is accepted. From the Model Summary, it is known that R Square 0.506 means that 50.6% of income is influenced by business capital (X) and 49.4% is influenced by other factors not included in this study. So, it can be concluded that business capital affects the income of culinary traders on the Cempae Embankment in Parepare City.

Conclusion

Business capital has a significant influence on the income of culinary traders at Cempae Embankment, Parepare City. The research shows that any increase in business capital contributes positively to an increase in income. Statistical tests confirm that business capital is significantly related to income, with a coefficient of determination of 50.6%, indicating that most of the variation in income is influenced by business capital. In addition, culinary traders at Cempae Embankment manage their capital and income well, in accordance with Islamic economic principles that encourage capital turnover for social and economic benefits.

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