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Analysis of Factors Affecting Informal Sector Trader Income

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Abstract

This study aims to examine and examine the effect of capital, business duration and education level on the income of informal sector traders in Somba Opu District, Gowa Regency (the street vendor subsector). The results showed that the capital and business duration varia this type of research is quantitative research using multiple regression methods. This finding proves the affirmation of capital theory that the greater the capital used or expended by street vendors to start a business or trade, it will increase the amount of income owned by street vendors. These results also reinforce an assumption that the longer a person runs a business, the more experienced and positive the effect is due to having had more business experience so as to provide a mature and appropriate strategy in managing and marketing their products. The education level variable does not significantly influence the income of informal sector traders in Somba Opu District, Gowa Regency (Subsector of street vendors). These results explain that the assumption that a person can increase income through increased education every additional one year of school cannot be proven in this study because for trading, everyone can do their business without looking at the level of education that has been completed.



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1 Introduction

Increasing the number of population in Indonesia which has reached 268,074,600 million people in 2019 is one of the problems for this nation because it can hamper economic growth and social welfare. Problems in employment are one of the main problems in development because they relate to sources of income that a workforce is obtained for prosperity in a family (Astivani, 2018). Increased population growth that is not balanced by equitable development will have an impact on the availability of unbalanced employment. This makes the government look for solutions to improve development and how to utilize the population that is abundant and dominantly untrained becomes capital for development (Amir, 2014). Therefore, the central and regional governments are currently focusing on developing the formal sector and some who are not absorbed in the formal sector will be directed to participate in the informal sector. Availability of employment in the

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formal sector is limited and also demands expertise / skills and education that do not provide opportunities for people or workers who are not absorbed to get income to finance their daily lives. Gowa Regency which is a second-tier region in South Sulawesi with a population of 2019 of 760,607 people is expected to have a quality relationship to human resources. The level of education has the benefit of improving the quality of humanity itself. It is hoped that increasing education can provide good human qualities. Based on Table 1, the number of job seekers in Gowa Regency at the undergraduate level has a relatively higher value of 644 people and an education level that is relatively lower at the elementary school level (13 people). The high number of job seekers at the Bachelor level is due to a faster desire to get a job and inadequate income to continue their education to the next tertiary institution so that job seekers at Gowa Regency at the Bachelor level are more than at other levels of education.

Table 1. Number of job seekers by education level and gender in Gowa Regency in 2019

No	Level of education	Male	Girl	Number of people
1	Elementary school	12	1	13
2	Middle School	15	10	25
3	High school	260	203	463
4	Diploma	35	229	264
5	Bachelor	175	469	644
	Total	497	912	1409

Source: Central Statistics Agency of Gowa Regency (2019)

Informal sector business activities have an important role in providing employment. It is proven that the informal sector is able to become a reducer in the labor market by accommodating millions of victims in termination of employment (PHK) and job seekers who are not absorbed in the formal sector (Wauran, 2012). According to De Soto (1991) the informal sector has unique characteristics, among others: business activities with the main capital in the independence of the people, utilizing simple technology, the workers mainly come from family workers without wages, raw materials mostly use local resources, some of them serving the needs of the lower middle class, education and the quality of the resources of the actors are relatively low. They never demand anything from the government, except in matters of legality, security guarantees, protection.

The increasing prospects and developments of the informal sector from year to year prove that in this case it is not in line with the internal and external problems faced by the sector. Internal problems to be faced are many similar business competitors, lack of adequate guidance and limited and limited access to credit. While external problems to be faced are weak in the capital structure, weak in the organizational structure and management. Commodities sold are limited, there is no cooperation between informal sector actors, low education and inadequate quality of human resources (Firdausy, 1995). So that the informal sector business opportunities are very promising, especially in Somba Opu District, Gowa Regency, as one of the informal sectors that is predicted to be involved.

Based on table 2, the number of street vendors in Somba Opu District, Gowa Regency is 116 people. The least types of merchandise are chicken traders, plastic rattan handicrafts, hunting tools, accessories, key repairs, brick makers, calligraphy traders and eyeglasses traders as many as 1 person. As one type of business in the informal sector, the existence of street vendors in Somba Opu District, Gowa Regency, is one of the solutions in overcoming employment problems, reducing unemployment which is increasing every year. In this type of business, there is no need for special skills and large capital because this business is carried out in a strategic place in a formal environment. The existence of street vendors in Somba Opu Sub-district, Gowa Regency, is often found around office areas, educational facilities and connecting lines to the city, making it difficult for us to look for them. But their presence around roads or sidewalks often causes problems for the government so that the eviction of trade locations is carried out because it disrupts the flow of traffic that often occurs in congestion, the condition of Somba Opu District looks dirty and chaotic. In general, the goal of street vendors doing work is to earn income. In increasing income to businesses in the informal sector, Somba Opu Subdistrict, Gowa Regency, there are several factors that affect it according to researchers, namely capital, length of business and education level.

Table 2. Data from street vendors in Somba Opu sub-district, Gowa Regency

No	Type of merchandise	Total (Person)
1	Food Traders	39
2	Beverage Trader	14
3	Eyewear dealer	1
4	Traders sell flags	2
5	Calligraphy trader	1
6	Brick dealer	1
7	Clothing dealer	1
8	Sandals trader	10
9	Watch wallet merchants	12
10	Ice Merchants	10
11	Traders buying and selling goldfish	3
12	Chicken dealer	1
13	Mixed traders	12
14	Fruit merchant	2
15	Fish seller	3
16	Plastic Trader	1
17	Cosmetics	3
18	Hunting gear	1
19	Key Repair	1
20	Accessories	1
21	Rattan Crafts	1
22.	Bike shop	2
Total		116

Source: Gowa Regency Industry and Trade Office (2019)

Based on table 2, the number of street vendors in Somba Opu District, Gowa Regency is 116 people. The least types of merchandise are chicken traders, plastic rattan handicrafts, hunting tools, accessories, key repairs, brick makers, calligraphy traders and eyeglasses traders as many as 1 person. As one type of business in the informal sector, the existence of street vendors in Somba Opu District, Gowa Regency, is one of the solutions in overcoming employment problems, reducing unemployment which is increasing every year. In this type of business, there is no need for special skills and large capital because this business is carried out in a strategic place in a formal environment.

The existence of street vendors in Somba Opu Sub-district, Gowa Regency, is often found around office areas, educational facilities and connecting lines to the city, making it difficult for us to look for them. But their presence around roads or sidewalks often causes problems for the government so that the eviction of trade locations is carried out because it disrupts the flow of traffic that often occurs in congestion, the condition of Somba Opu District looks dirty and chaotic. In general, the goal of street vendors doing work is to earn income. In increasing income to businesses in the informal sector, Somba Opu Subdistrict, Gowa Regency, there are several factors that affect it according to researchers, namely capital, length of business and education level. Capital is one of the supporting factors that determine the course of a business. With sufficient capital, traders have the opportunity to earn more income (Aulia, AR, 2018). Furthermore, the length of a business is the length of time a business will have experience in seeing market conditions, consumer behavior so that it has a mature and appropriate strategy in running a business (Damayanti, 2011). Aswar (2011) added that to improve business experience, future revenue will increase. The education level for entrepreneurs will make entrepreneurs have more skills in creating new products or commodities to be traded so that it will increase income.

According to Putri (2017) income is income, acquisition business and so on. The measured income is a person's net income in the form of goods or wages / money from the results of the work done. The concept of the informal sector was first introduced by Hart (1973), which explicitly divided economic activities into a formal and informal nature. The term informal sector by Keith Hart (1973) in his research on small business units in Ghana. Then Hart's terminology was used by a mission in Kenya organized by the International Labor Organization (ILO). The mission believes that the informal sector provides low-cost, labor-intensive, competitive goods and services tickets and provides recommendations to the government to encourage the

informal sector (Mulyadi, 2017).

The economy in the informal sector can be relatively more independent because growth in the formal sector directly improves the welfare of the weak economy, so progress in the informal sector while increasing national income (although not much) and improving income distribution. If in the formal sector the lack of demand can cause economic sluggishness, in the informal sector demand will always be strong, because the goods and services produced in this sector are goods and services needed by the people on a daily basis (Mulyadi, 2017). Street vendors are group or individual trading business activities which in running the business use age facilities such as roadside, sidewalks or so on (Damsar, 2002). Street vendors originally came from traders who used wheelbarrows that had three wheels. Above the wheelbarrow he put various types of merchandise to be sold and along the residential areas and peddling his wares to people who are interested. With two legs of street vendors plus three wheelbarrows, they came to be known as street vendors (Saputra, 2014). This study deals with how venture capital, business duration and education level can influence or not influence the level of informal income of street vendors in Gowa Regency. Some previous studies related to this research are Artaman, Dewa Made Aris (2015), Aulia, AR (2018), Fatmawati (2014), Ikrawan et al., (2014), Fernando (2016), Furqon (2018), Handhika, Anang (2017), Rusmusi & Maghfira (2018), Pratiwi, Pithma (2015), Rezkita (2017), Samosir & Waridin (2015), Wahyono (2017), Yuniarti (2019).

Capital is all forms of wealth that are used both directly and indirectly as a production process to get output (Irawan, 1987). Capital has a close relationship with the results or not the business undertaken. Relatively large capital expended by traders, will allow businesses to be sold to increase commodity merchandise. Of course this will lead to the possibility of greater income. Capital and income are very important and interchangeable factors of production. In a business if the capital spent increases, it will affect the increase in sales which will affect the increase in income. This statement is supported by the results of research Chintya, Wury Ajeng & Ida Bagus Darsana, (2013) which states that the variable capital has a significant effect on merchant income.

H1: Capital Significantly Influential to the Informal Sector Trader Income.

The length of the business is the length of time a trader does in managing the business being run. The length of time in running a business can lead to its own experience, can know consumer behavior and provide a positive influence because it has more business experience so that it will provide a mature and appropriate strategy in managing and marketing its products so that more customers will be captured later (Damayanti, 2011) . Of the many customers who are netted, it will increase the street vendor's income. Research conducted by Asakdiyah & Sulistyani, (2004) Adhiatma, (2015) shows that the length of business variables simultaneously and significantly influence the income of traders and means that the longer a business that is carried out by the log traders, the higher the income obtained

H2: Duration of Effort Significantly Influential to the Informal Sector Trader Income

According to Law No.20 of 2003 article 3, the level of education is a conscious and planned effort to create an atmosphere of learning for students to actively develop their potential to possess intelligence, strength of self-control, and the skills needed by themselves, society, nation and state. Within the factors that influence income there is a relationship with the level of education. According to Simanjuntak (2001) the basic assumption of the Human Capital Theory that a person can increase income through increased education every additional one year of school, means on the one hand if increased work ability and income level of a person, but this delays the receipt of income for one year in attending school. This education is considered as an investment in which the rewards can be obtained in the addition of work several years later. In this case the level of education has a great influence on business management. With good management of production costs that will be incurred can be minimized and revenue can be maximized. Education is a conscious and planned effort to realize the learning atmosphere of students actively developing their potential to have intelligence, the power of self-control, and the skills needed by themselves, society, nation and state. The results research of Putu & Kartika's (2019) show that the level of education has a significant effect on income. The level of education has a significant effect due to the low level of education, making it difficult for a person to get a decent job in accordance with his wishes so that a higher education will provide more opportunities to get a job with an income high.

H3: Level of education Significantly Influential to Informal Sector Trader Income

2 Research Method

In this study, researchers used an explanatory approach because it aims to analyze the relationships between one variable with another variable or how a variable affects other variables (Sugiyono, 2015). This research was conducted in Somba Opu Subdistrict, Gowa Regency. The population in this study was the street vendors in Somba Opu sub-district, Gowa Regency as many as 116 people. Determination of the number of samples refers to the opinion of Arikunto (2013), who said that if the population is more than 100 then the percentage that can be taken between 10-15% or 20-25% or more depends on the ability of researchers in terms of time and funding, the area of observation researchers, this involves a lot of data and the size of the risk borne by researchers. Research data collection using a questionnaire by giving questions related to research conducted to respondents to be answered (Sugiyono, 2015). The type of questionnaire in this study is open in nature which gives freedom to answer directly about the variables compiled by the researcher. Of the total population of 116 street vendors by attracting a total population of 40%, the number of samples that can be taken is 47 street vendors.

Table 3. Operational Research Variables

Variable	Operational definition	Measurement
Capital	The amount of capital used in providing daily merchandise	In rupiah
Duration of effort	The length of business carried out by traders in managing the business	In years
Level of education	Education held in schools through teaching and learning activities in stages and continuously. The level of education consists of basic education, secondary education and higher education	In years
Income	Income received by traders from the sale	In rupiah

This study aims to look at the effect of the independent and dependent variables with the measurement scale or ratio in a linear equation, in this study used multiple regression analysis processed with SPSS software (Sujarweni, 2015). The multiple linear regression equation model with the following model specifications:

$$\text{LnY} = \beta_0 + \beta_1 \text{LnX}_1 + \beta_2 \text{LnX}_2 + \beta_3 \text{LnX}_3 + e$$

Information

LnY = Income

β_0 = A constant

$\beta_1 \beta_2 \beta_3$ = Regression Coefficient

X₁ = Capital

X₂ = Length of Effort

X₃ = Education Level

e = Default Error

3 Result and Discussion

Result

One of the prerequisites in conducting this research is to use a classic assumption test with the aim of the model being obtained that meets the basic assumptions of multiple linear regression analysis. The normality test aims to test whether in the regression model, the dependent variable and the independent variables both have normal distributions or not. This data normality test is done using PP Plot chart testing. The conclusion to determine whether the data follows the normal distribution or not is to see the data spread around the diagonal line and follow the direction of the diagonal line or the histogram graphic will show the normal distribution pattern. Whereas if the data spreads far from the diagonal line or does not follow the direction of the diagonal line or the histogram chart, the pattern is not normally distributed or does not meet the assumption of normality.



Figure 1. P-Plot Graph

Multicollinearity test aims to determine whether there are independent variables that have similarities between the independent variables in a model. The method for testing the presence of multicollinearity can be seen from the Tolerance and Variance Inflation Factor (VIF). If the Tolerance value is more than 0.10 and the Variance Inflation Factor (VIF) value is less than 10.00, then there will be no multicollinearity. Table 4, the results of the multicollinearity test in the collinearity statistics table for the Tolerance value on the capital variable 0.883, the tolerance value of business duration 0.843 and the tolerance value of education level 0.945. As for the VIF value on the variable capital 1.132, the VIF value for the length of business 1.186 and the VIF value for the education level of 1.058. Because the three variables of tolerance are greater than 0.10 and the three VIF variables are less than 10.00, it can be concluded that there is no multicollinearity in the three independent variables. The way to predict the presence or absence of heteroskedasticity in a model can see the significance of the independent variable on the dependent variable. If the independent variable is statistically significant affecting the dependent variable (the probability of its significance is more than 0.05) then heteroscedasticity does not occur. Table 5 shows that the capital variable with a significant value of 0,000 and the length of business variable with a significant value of 0.007 indicate that both of these variables are less than 0.05, so the two variables are concluded heteroskedasticity. While the education level variable with a significant value of 0.281 indicates that the variable is greater than 0.05, it is concluded that the education level variable does not occur heteroscedasticity

Table 4. Multicollinearity Test Results

Independent Variable	Tolerance	VIF
Capital (X1)	.883	1,132
Length of Business (X2)	0.843	1,186
Education Level (X3)	0.945	1,058

Table 5. Heteroskedasticity Test Results

Independent Variable	Significant
Capital	0,000
Duration of Effort	0.007
Level of education	.281

Source: Data processed, (2020)

Autocorrelation test aims to determine whether there is a correlation between the confounding variables at a certain period with the previous variable. To detect autocorrelation by using the Durbin Watson value with the criteria for testing conditions is if DL is less than DW less than 4 less DU then autocorrelation does not occur. Table 6 shows the value of Durbin Watson 1.774, DL Value 1.3989, DU Value 1.6692, Value 4 less DU 2.3308. Based on the explanation of the above values, it was concluded that autocorrelation did not occur because the DL value less than DW was less than 4, less DU.

Table 6. Autocorrelation Test Results

Autocorrelation Test	Durbin Watson
	1,774

Source: Data processed, (2020)

Regression analysis was used to determine the effect of capital, business duration and education level on the income of street vendors in the informal sector. In addition, regression analysis is used to test the truth of the hypotheses proposed in this study, the following is a multiple regression analysis table 7:

Table 7. Results of Multiple Regression Analysis

Variable	Coefficient	Std.error	t-statistics	Sig
Constant	8,291	1,328	6,245	0,000
Capital (X1)	0.317	0.084	3,780	0,000
Length of Business (X2)	- 0.160	0.057	-2,810	0.007
Education Level (X3)	0.084	0.077	1,093	.281
R Square	0.439			
R	0,662 ^a			
Adjusted R Square	.400			
<i>F</i> _{hitung}	11,206			
Significance of F	0,000 ^b			

Source: Data processed, (2020)

Based on table 7, statistical test results the following multiple regression equation models are presented:

$$\text{LnY} = \beta_0 + \beta_1 \text{LnX}_1 + \beta_2 \text{LnX}_2 + \beta_3 \text{LnX}_3 + e$$

$$\text{LnY} = 8,291 + 0,317 - 0,160 + 0,084 + 1,338\text{LnX}_1 \text{LnX}_2\text{LnX}_3$$

The coefficient in the multiple linear regression equation in Table 7 can be explained that the constant value is 8,291 if the independent variable is considered constant, then the value of the income of informal sector traders in the Somba Opu District of Gowa Regency (the street vendor subsector) is 8,291. The regression coefficient value of capital is 0.317 which means that every increase or decrease in capital is 1%, it will be offset by increasing and decreasing income of informal sector traders in Somba Opu Subdistrict, Gowa Regency (street vendor subsector) by 0.3% with a note that the variable others are considered constant. The regression coefficient value of the operating time is 0.160, which means that each increase or decrease in operating time is 1%, then it will be offset by increasing and decreasing income of informal sector traders in Somba Opu District, Gowa Regency (street vendor subsector) by 0.16% with a note that other variables are considered constant. The regression coefficient value of the education level is 0.084 which means that each increase or decrease in education level by 1% will be offset by an increase and decrease in the income of informal sector traders in the Somba Opu District of Gowa Regency (street vendors) by 0.08% with a note that the variable others are considered constant.

Based on the results of multiple linear regression analysis, it can be seen from the Adjusted R Square of 0,400 that shows the factors that influence the income of informal sector traders in Somba Opu Subdistrict, Gowa Regency (street vendor subsector) are influenced by three variables, namely capital, business duration and education level with size of 40.0%, the remaining 60% is influenced by other variables not examined in this study.

This test aims to examine the effect of capital, length of business and education level on the income of street vendors simultaneously. If *F*_{count} is greater than *F*_{tabel} means *H*₀ is rejected and *H*_a is accepted while if *F*_{count} is less than *F*_{tabel} means *H*₀ is accepted and *H*_a is rejected. The results of multiple regression analysis showed the results of the *F*_{count} was 11.206. While *F*_{table} is 2.82, so *F*_{count} is greater than *F*_{table} (11.206 > 2.82) whereas if seen from a significant value of 0.000 (0.000 < 0.05), then the decision *H*₀ is rejected and *H*_a is accepted, this shows that there are simultaneously the influence of capital, business duration and education level on the income of informal sector traders in Somba Opu District, Gowa Regency (the street vendor subsector).

Partial test

The t test is an indefinite partial regression coefficient test which is used to determine whether the independent variable individually influences the dependent variable. T test testing is done by comparing *t*_{count} and *t*_{tabel}. In the capital regression, the length of effort and the level of education to the income of informal sector traders

in the Somba Opu District of Gowa Regency (the street vendor subsector), with $\alpha = 0.05$ and $t_{table} = (nk-1) = 47-3-1 = 43$ so a t_{table} value of 1.681 is obtained.

From the calculation results, $t_{calculated}$ capital variable is 3,780 while t_{table} is 1,681 so that t_{table} is greater than t_{table} ($3,780 > 1,681$), while the significance value of capital variable is 0,000 smaller than 0,05 ($0,000 < 0,05$) so H_0 is rejected and H_a accepted and it can be concluded that there is an influence of capital variable on the income of informal sector traders in Somba Opu District, Gowa Regency (the street vendor subsector).

From the calculation results obtained t count the old business variable is (-2.810) while t table is 1.681 so that t count is smaller than t table ($-2.810 < 1.681$), while for the significance value of the old business variable is 0.007 smaller than 0.05 ($0.007 < 0.05$) so that H_0 is rejected and H_a is accepted and it can be concluded that there is an influence of business duration variable on the income of informal sector traders in Somba Opu District, Gowa Regency (the street vendor subsector).

From the calculation results obtained t -count value of the education level variable is 1.093 while t -table is 1.681 so that t -count is smaller than t -table ($1.093 < 1.681$), while for the significance value of the education level variable is 0.281 greater than 0.05 ($0.281 > 0.05$) so that H_0 is accepted and H_a is rejected and it can be concluded that there is no influence of education level variables on the income of informal sector traders in Somba Opu District, Gowa Regency (the street vendor subsector).

Discussion

Effect of Capital on Informal Sector Trader Income in Somba Opu District, Gowa Regency (Street Vendors Subsector)

The results showed that capital had a significant effect on the income of informal sector traders in Somba Opu District, Gowa Regency (the street vendor subsector). Capital is an important factor in business activities because the greater the capital used or spent by street vendors to start a business or trade it will increase the amount of income owned by street vendors. The results of this study are in line with capital theory. Capital is an input of a factor of production which is very important in efforts to determine the level of income, but that does not mean capital is the only factor that can affect income (Suparmoko, 1986). If capital is relatively large, then the trader allows to increase the amount of quantity or variation of the commodity so that the income received will be greater. The capital in question is own capital issued by the business owner.

The results of this study are in line with Artaman's research, Dewa Made Aris (2015) through his research entitled "Analysis of Factors Affecting Trader Income in Sukawati Art Market in Gianyar Regency" found that the variable for venture capital had a significant effect on merchant income in Sukawati Art Market in Gianyar Regency. The research found that business capital is a dominant variable in influencing trader income so that capital has an important role in trader income. In another study, Fatmawati (2014) with a study entitled, "Analysis of Factors Affecting the Income of Street Vendors in Padang Raya Market" found that the variable capital had a significant effect on the income of street vendors in Padang Raya Market. The results of this study are also in line with research from Handhika, Anang (2017) with a study entitled, "Analysis of Factors Affecting the Income of Street Vendors (Study Around the Square of Klaten District)" shows that capital variable has a significant effect on the income of foot traders five. Also in another study namely Aulia, AR (2018) entitled, "Analysis of Factors Affecting the Income Level of Street Vendors (Case Study of Losari Beach in Makassar City)" in his research for capital variables significantly influence the income of street vendors due to incorrect one greater increase in income followed by a large increase in capital. "Analysis of Factors Affecting the Income of Street Vendors (Study Around the Square of Klaten District)" shows that capital variable has a significant effect on the income of street vendors. Also in another study namely Aulia, AR (2018) entitled, "Analysis of Factors Affecting the Income Level of Street Vendors (Case Study of Losari Beach in Makassar City)" in his research for capital variables significantly influence the income of street vendors due to incorrect one greater increase in income followed by a large increase in capital. "Analysis of Factors Affecting the Income of Street Vendors (Study Around the Square of Klaten District)" shows that capital variable has a significant effect on the income of street vendors. Also in another study namely Aulia, AR (2018) entitled, "Analysis of Factors Affecting the Income Level of Street Vendors (Case Study of Losari Beach in Makassar City)" in his research

for capital variables significantly influence the income of street vendors due to incorrect one greater increase in income followed by a large increase in capital.

Based on the results of the study concluded that the business capital of street vendors in Somba Opu District, Gowa Regency, the amount varies greatly, depending on the type of commodity traded by traders. business capital used by traders is relatively low, ranging from less than Rp. 10,000,000 or an average of Rp. 4,000,000. The lowest capital is IDR 3,000,000 with IDR 300,000 income while the highest capital is IDR 8,000,000 with IDR 500,000 income. So it is clear that the amount of capital will affect the income of street vendors.

Effect of business duration on the income of informal sector traders in the Somba Opu sub-district of Gowa Regency (the street vendor subsector)

The results showed that there was an influence of business duration on the income of informal sector traders in Somba Opu District, Gowa Regency (the street vendor subsector). The results of this study are in line with the assumptions of Damayanti (2011), which states the longer a person runs a business, the more experienced and positive influence because he has more business experience so as to provide a mature and appropriate strategy in managing and marketing his products. These results indicate that the length of effort influences a person in making a decision because to become a street vendor requires experience, the intended experience is experience in seeing market conditions that occur so as to see from market conditions.

This research is in line with research by Rezkita (2017), Rusmusi & Maghfira (2018), Furqon (2018), which shows that the business length variable has a significant effect on the income of traders. The longer a business runs because traders who have the longest business experience have the most business experience compared to traders who have minimal business experience. Based on the results of the study, the length of the informal sector trader business in Somba Opu District, Gowa Regency (the street vendor subsector), most of the street vendors have a business length category of more than 6 years while the lowest business length is 4 years.

Effect of Education Level on Informal Sector Trader Income in Somba Opu District, Gowa Regency (Street Vendors Subsector)

Based on the results of research conducted showed there was no influence of the level of education on the income of informal sector traders in the Somba Opu District, Gowa Regency (the street vendor subsector). The results of this study are not in accordance with research conducted by Pratiwi, algorithm (2015), which states the level of education has a significant effect on income because higher education will make a workforce more productive, knowledgeable and innovative so that it will increase labor income. In this case it is also not in line with the basic assumptions of the theory of human capital according to Simanjuntak (2001), which states that one can increase income through increased education every additional one year of school. However, for the education level of informal sector traders in Somba Opu Subdistrict, Gowa Regency (the street vendor subsector), mostly from junior high schools (36.17%), elementary schools (29.79%), senior high schools (SMA) as much as 27.66 % and Higher Education as much as 6.38%. All respondents have their own income which is not influenced by their level of education. So it was concluded the level of education had no effect on income.

The results of this study are in line with the research of Fernando, Yandhi (2016), Wahyono, Budi (2017), Yuniarti, Puji (2019) which shows that education level variables do not significantly influence traders' income.

4 Conclusions

The results showed that the capital and business duration variables significantly influence the income of informal sector traders in the Somba Opu sub-district of Gowa Regency (Subsector of street vendors). This finding proves the affirmation of capital theory that the greater the capital used or expended by street vendors to start a business or trade, it will increase the amount of income owned by street vendors. These results also reinforce an assumption that the longer a person runs a business, the more experienced and positive the effect is due to having had more business experience so as to provide a mature and appropriate strategy in managing and marketing their products. The education level variable does not significantly influence the income of informal sector traders in Somba Opu District, Gowa Regency (Subsector of street vendors). These results

explain that the assumption that a person can increase income through increased education every additional one year of school cannot be proven in this study because for trading, everyone can do their business without looking at the level of education that has been completed.

The results of this study suggest that the government or related agencies can provide capital facilities such as capital loans that are not burdensome for street vendors in returning them so that traders can develop businesses that are undertaken to increase street vendor's income because capital is a very important factor towards street vendor's income. Regarding the length of business, it is hoped that street vendors can innovate from experience to improve commodities so they can attract more consumers because they see street vendors in Somba Opu District, Kabupaten, Gowa, who have traded for a long time but whose income is still relatively low. It is expected that the government can provide intensive training or guidance to street vendors because the education level of street vendors is still relatively low. Although it does not affect the income of street vendors, street vendors must follow the development of the globalization era so that street vendors need to learn.

5 References

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