

Analysis of Factors Affecting the Income of Informal Sector Culinary Traders in Denpasar City

Meyra El Qolby Yuwana
 Faculty of Economics and Business
 Udayana University
 Denpasar, Indonesia

Dra. Ni Putu Martini Dewi, M.Si.
 Faculty of Economics and Business
 Udayana University
 Denpasar, Indonesia

Abstract:- The informal sector plays a pivotal role in providing alternative employment opportunities, effectively absorbing a substantial workforce and curbing unemployment rates. In Denpasar City, trade emerges as a prominent domain, encompassing a significant portion of the local populace. Particularly, culinary traders constitute a dominant presence within Denpasar City's business landscape. This research strives to comprehensively analyze the combined and individual impacts of capital, working hours, business duration, and education level on the income of informal sector culinary traders in Denpasar City. Moreover, it seeks to pinpoint the most influential variable that shapes income outcomes. Employing an associative quantitative approach, the research employs purposive sampling to gather data from 100 respondents, calculated using the Slovin formula. Data collection embraces questionnaire instruments and structured interviews, while data analysis incorporates multiple linear regression tests, assessments of classical assumptions, and hypothesis testing. The outcomes divulge that: (1) capital, working hours, business duration, and education level collectively exert influence on the income of informal sector culinary traders in Denpasar City; (2) individually, capital, working hours, business duration, and education level exert positive effects on income; and (3) the variable with the most significant impact on income among informal sector culinary traders in Denpasar City is capital, as substantiated by the highest standardized coefficients beta in the regression model.

Keywords:- Opinion; Capital; Working Hours; Length of Business; Level of Education.

I. INTRODUCTION

Indonesia is one of the countries with a high population density. The increasing population growth creates an imbalance between the labor force and the available

Bali is a destination for people looking employment capacity. This imbalance between labor and employment causes an increase in unemployment (Widyawati & Dwi, 2021). In Indonesia, employment opportunities are still a problem in economic development. The high unemployment rate will cause various problems in long-term economic development such as increasing poverty, social unrest and waste of resources. The increasing population will require employment as a source of income for them to fulfill their needs, especially primary needs. Not all residents have the opportunity to obtain formal sector jobs that are considered capable of providing a steady income. Those who are not accommodated in the formal sector will become unemployed or work in the informal sector (Riyani & Jember, 2020).

Bali Province is an area that experiences an increase in population every year. The increase in population results in an increase in the labor force. The data in Table I shows the number of labor force in each district/city in Bali Province which varies greatly because for work and is considered to have great potential. The highest number of labor force in Bali Province in 2021 was occupied by Denpasar City.

Table 1 Total Labor Force by Regency/City in Bali Province 2021

No.	District/ City	Labor Force (People)			Labor Force Participation Rate (%)
		Work	Unemployment	Total Labor Force	
1.	Jembrana	171.760	7.354	179.114	81,26
2.	Tabanan	266.889	10.939	277.828	74,98
3.	Badung	376.637	28.027	404.664	72,52
4.	Gianyar	270.510	20.064	290.574	69,88
5.	Klungkung	98.691	5.577	104.268	72,83
6.	Bangli	144.897	2.659	147.556	82,09
7.	Karangasem	256.630	6.099	262.729	81,15
8.	Buleleng	355 940	20 234	376 174	73,08
9.	Denpasar	499 900	37 716	537 616	68,67
	Bali Province	2 441 854	138 669	2 580 523	73,54

Source: BPS Bali Province, 2021

Denpasar City is one of the areas in Bali Province with a high population density. Based on the results of the population census in 2020, Bali Province shows that the number is 4,317,404 people. The high population in Denpasar City has increased the number of job seekers. On the other hand, the availability of jobs in Denpasar City cannot keep up with the increasing number of job seekers. Denpasar City has very diverse business fields such as agriculture, mining, services, industry, trade, finance, and so on. One of the dominant business fields that absorb labor in Denpasar City is the trade, hotel and restaurant sector. Based on data from the Denpasar City Statistics Agency, it shows that the trade sector ranks highest with a total of 194,591 people. The wholesale, retail, hotel and restaurant trade sector in Denpasar City is indeed a leading sector, as in urban areas in general. One of the sub-

sectors of the trade sector is trade in the informal sector. The informal sector in trade can be used as a support for workers who cannot be accommodated or absorbed into the formal sector and reduce the unemployment rate in Denpasar City.

The informal sector has emerged as a viable economic avenue for urban inhabitants following the formal sector, demonstrating its resilience even in challenging economic circumstances (Ulya Sari, n.d.). Within the informal sector, perseverance, patience, and skillfulness take precedence over educational qualifications and work history. This stands in contrast to the formal sector, which emphasizes a competent, professional workforce supported by strong educational backgrounds, thereby contributing to the enhancement of traders' income (Fathirah Rahma & Kafrawi Mahmud, 2020).

Table 2 Number of Working Population by Main Status

No	Main Employment Status	Total Population	Formal Sector	Informal Sector
1.	Self-employed	85.273		85.273
2.	Business assisted by non-permanent/unpaid labor	49.470		49.470
3.	Business assisted by permanent/paid labor	16.406	16.406	
4.	Laborer/employee	288.053	288.053	
5.	Agricultural free labor	983		983
6.	Non-agricultural casual workers	13.626		13.626
7.	Unpaid family workers	46.089		46.089
	Total	499.900	304.459	195.441

Source: BPS Bali Province, 2021

Based on the 2021 Denpasar City labor statistics, it is stated that there are two sector groupings in the labor force, namely the informal sector and the formal sector, where the classification used is based on employment status. Based on Table II, the absorption of labor in the formal sector is 304,459 people, while in the informal sector there are 195,441 people. This data shows that the availability of employment in the formal sector can absorb 61 percent of the workforce while workers who are not absorbed in the formal sector turn to the informal sector, which is 39 percent. In accordance with the Big Indonesian Dictionary, the definition of the informal sector itself is an unofficial business environment, employment that is created and pursued by job seekers such as self-employed, besides that it can also be understood as a small-scale business entity engaged in the production, distribution of goods, and provision of services, aimed at generating employment and income for its participants. Such units operate within constraints encompassing capital, physical resources, labor, and expertise.

the wheels of the economy. For traders with small capital, culinary can be an alternative to work to meet their needs and income. In general, workers in the informal sector are not permanent and the type of business is easy to change according to the strength of the capital he has and some are only seasonal. The informal sector is also usually easy to enter, meaning that entry barriers are not heavy but it is also easy to leave or not last long.

The covid-19 pandemic that has hit all over the world, especially in Indonesia, has changed the joints of people's economic activities. However, during the culinary pandemic, it still exists, and there is even a culinary growth that has not been recorded in its field because there are so many job transfers or professions from the tourism sector which then switch to the culinary business. Based on data from the Office of Cooperatives and MSMEs in Figure I, it shows that of the types of businesses per field, the culinary business is the dominant sector. In Denpasar City, culinary traders are one part of informal business actors that cannot be separated from

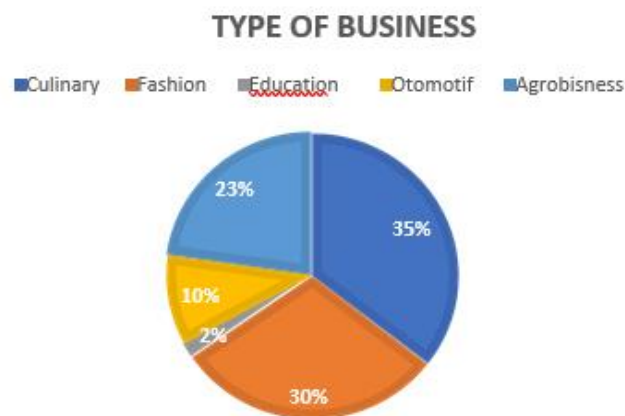


Fig 1 Type of Business by Sector in Denpasar City 2020
Source: Denpasar City Cooperative and MSME Office, 2020

There are several reasons why small culinary traders because food is a basic human need, meaning that every day people consume food and the incident is repeated. Repeated consumption is a huge market potential, thus creating extraordinary demand, culinary is a very flexible business,

because it can be started from a small scale and affordable capital. The amount of food produced can be adjusted to the amount of capital owned, and can use the equipment owned in the kitchen. Culinary has many variations, ranging from snacks, drinks, market snacks, various side dishes, and other heavy foods. The number of variations will make it easier for entrepreneurs to develop it and have many choices to sell.

The problem most often experienced by business actors is related to the need for capital when starting a business or developing their business. Capital is basically used to buy raw materials and other operational costs that are routine and sustainable in addition to buying products that are then ready to be sold so that it is expected to generate income from the business (Nursyamsu et al., 2020). Capital affects the income of traders because the establishment of a business will always require sustainable capital because capital is an input used to develop a business or as a tool for the needs of the production process including materials and services used in the production process to generate sales results in the form of income (Maharani Putri & Jember, 2016).

Factors that affect traders' income besides capital are working hours, length of business, and education. In managing a business, working hours are the number of hours devoted to trading, starting from the trader opening his business until closing every day. The longer the working or operational hours that traders spend to open a business, based on the number of goods offered, the higher the income / income earned (Rosita et al., 2020). Furthermore, namely the length of business, the length of time a trader pursues his business will also increase his knowledge and will affect his income level, but not necessarily a business that has shorter experience has less income than a business that has longer experience (Prananta & Ayuningsasi, 2019). The longer a business person pursues a trade business, the more knowledge about consumer behavior and market behavior will increase (Lestari & Widodo, 2021). Most traders have been in business for a dozen years, some have only been trading for a few years. Then it will also be related to the level of education. The level of education taken from one seller to another is of course different. The level of education is an interesting thing because it is not visible in physical form, which, when associated with a trader, can also affect the mindset and ideas he has in order to develop his business.

The high level of population density and the limited availability of jobs have made workers who do not have the opportunity in the formal sector turn to the informal sector to meet their needs. Informal sector culinary traders, which are the most dominant business sector in Denpasar City, are one part of informal business actors that cannot be separated from the wheels of the economy, especially as an alternative to the transition of sectors affected by the Covid-19 pandemic, as well as several problems that affect the level of income of traders. Based on the background description above, this research is focused on seeing and analyzing the influence of several factors on the income of informal sector culinary traders in Denpasar City.

II. THEORETICAL FOUNDATION

A. Income Theory

The primary objective of operating a trading business is to generate revenue, which in turn serves to fulfill both personal livelihood necessities and sustain the trading enterprise itself. Sukirno (2016) underscores that income represents the remuneration individuals receive for their work efforts over a specified timeframe, whether on a daily, weekly, monthly, or yearly basis. Income, in its various forms, signifies the compensation garnered in exchange for an individual's contributions within the production process. Specifically, within the context of business, income pertains to the monetary inflow derived from the sale of goods or services. Income wields significant influence over business operations, as higher earned income equates to enhanced capability for the business to fund all requisite expenditures and endeavors on its agenda.

B. Theory of Informal Sector Culinary Traders

According to Labor Law No. 13/2003, "Informal workers encompass individuals who engage in labor without a formal employment arrangement. This signifies the absence of a structured agreement delineating key aspects of work, such as job responsibilities, compensation, and authority". The Central Bureau of Statistics states that based on employment status, the labor force is grouped into two categories, namely the formal sector and the informal sector. Employment status that includes the informal sector consists of workers who have the status of (1) own business; (2) business assisted by non-permanent / unpaid labor; (3) agricultural free workers; (4) non-agricultural free workers; (5) unpaid family workers. In the informal sector, culinary traders can be street vendors, tegal stalls, coffee shops and others. The classification of food vendors can be seen in the different characteristics of whether they are illegal or legal, low or high education, and income from low to middle income (Rungroekrit, 2001). Indonesia itself, from street vendors (PKL), tegal stalls, food and beverage sellers such as martabak to coffee shops, many are still unregistered and business actors here because it is their main livelihood but there is also a side business. The processing industry here is very unrecorded and becomes a risk for the business and the workers themselves.

C. Capital Theory

One of the most important factors in the trading business is capital. Capital is a very important input (production factor) in determining the high and low income. In a business, the problem of capital has a very strong relationship with the success or failure of a business that has been established. According to Tambunan (2002), Capital stands as a pivotal factor across businesses of all sizes – be it small, medium, or large-scale. Consequently, it assumes a vital position warranting careful consideration from business stakeholders throughout their operational endeavors. The role of capital is indispensable, serving as a cornerstone in facilitating and sustaining various business activities.

D. Theory of Working Hours

In accordance to the Big Indonesian Dictionary, working hours denote the designated period during which employees or similar personnel engage in labor. Working hours encompass the time invested in the process of producing goods and services. Mantra (2003) defines working hours as a quantified duration expressed in hours that individuals dedicate to work-related activities. The Central Bureau of Statistics (BPS) elaborates that working hours signify a quantified time period, also in hours, allocated to work or business undertakings (excluding official breaks). It encompasses the entire span from task preparation to completion (closure). Working hours encapsulate the entirety of business time or operational hours devoted by a trader in their trading pursuits. Elevating the quantum of working hours or allocating more time for business commencement augments the likelihood of heightened turnover for the trader. This, in turn, sustains the trader's well-being, facilitating the provision of necessities for the trader's family (Husaini, 2017).

E. Theory Length of business

Business duration refers to the period of time an individual has been actively involved in their ongoing business operations. This temporal span represents the length of engagement for traders who are immersed in their commercial pursuits (Utami and Wibowo, 2013). Gumanti (2000) suggests that a company's extended existence potentially correlates with accumulated experience. The prolonged duration of a company's existence fosters heightened public familiarity and insights. Within an entrepreneurial context, business duration denotes the cumulative time an entrepreneur has dedicated to managing their enterprise. The longevity of an individual's involvement in a business or profession correlates with an augmentation of expertise. As posited by Suroto (2002), an extended period of engagement enhances one's proficiency, maturity, and competency within their field. Specifically, within the scope of trading, business duration pertains to the temporal extent traders devote to their current trading endeavors. The duration of a business operation contributes to the accumulation of experience, which subsequently influences an individual's perceptions and behavioral observations.

F. Education Level Theory

The length of business refers to the period during which an individual has been actively involved in their ongoing business endeavors. This duration can also be construed as the span of time that traders have been operating their businesses (Utami and Wibowo, 2013). Gumanti (2000) asserts that a company with an extensive establishment history is likely to have accumulated substantial experience. As a company's age increases, public awareness and knowledge about it tend to expand. In essence, the length of business represents the duration an entrepreneur has dedicated to managing their business. The longer an individual engages in a business or profession, the more their expertise accumulates. Suroto (2002) underscores that an extended period of business involvement enhances one's skillset, maturity, and proficiency in their vocation. This concept applies to traders, where the length of time they

dedicate to their current trading pursuits directly affects their experience, which, in turn, can influence their observations of behavior. This notion extends to individuals, as their educational journey empowers them to make informed choices, broaden their horizons, and participate in public decisions, thereby contributing to their personal growth and societal progress. On a macro level, education stands as a cornerstone for bolstering economic growth, enhancing the quality of human life, and fostering social and economic development.

III. RESEARCH METHODS

This study employs a quantitative research approach in the form of an associative design. The focus area of this investigation centers around informal sector culinary traders within Denpasar City. The study designates the dependent variable as the income of informal sector culinary traders, denoted as (Y). The independent variables encompass capital (X_1), working hours (X_2), length of business (X_3), and level of education (X_4). The target population for this study consists of the entire cohort of informal sector culinary traders in Denpasar City, totaling 9,329 traders. Following calculations employing the Slovin formula, a sample size of 100 traders was determined. Data collection was undertaken through two methods: interviews and observations utilizing a structured set of questions or questionnaires. The data in this study is of a quantitative nature. Primary data were procured through structured interviews, while secondary data originated from sources such as the Bali Provincial Statistics Agency, Denpasar City Statistics Agency, and Denpasar City Micro, Small and Medium Enterprises Cooperative Office (UMKM). Data analysis employed the multiple linear regression analysis technique to investigate the relationships between variables. The multiple linear regression equation set is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mu$$

Description:

Y = Income of informal sector culinary traders

α = Constant coefficient

$\beta_1, \beta_2, \beta_3, \beta_4$ = Regression coefficient of each independent variable

X_1 = Capital

X_2 = Working hours

X_3 = Length of business

X_4 = Education Level

μ = error

IV. RESEARCH RESULTS AND DISCUSSION

Sector culinary traders in Denpasar City with criteria such as workers who have status: (1) own business, (2) business assisted by non-permanent/unpaid labor, and (3) unpaid family workers, the respondents in this study were 100 respondents.

The study's findings provide insights into the characteristics of respondents based on their income and capital. In terms of income, the majority of respondents (87 percent) fall within the income range of Rp.1,000,000 -

Rp.5,000,000, which is represented by 87 respondents. Additionally, 13 percent of respondents, or 13 individuals, reported an income between Rp.6,000,000 - Rp.10,000,000. Analyzing the characteristics of respondents in relation to capital, a significant portion (91 percent) of the participants reported having capital ranging from Rp.1,000,000 - Rp.5,000,000. This group is represented by 91 respondents. Moreover, 9 percent of respondents, comprising 9 individuals, reported capital between Rp.6,000,000 - Rp.10,000,000. These insights into the income and capital characteristics of the respondents are crucial in understanding their economic profiles and forming a comprehensive view of their engagement in the informal sector culinary trading business.

Based on the research outcomes, the characteristics of the participants with respect to their working hours reveal that a substantial majority, encompassing 83 percent of the respondents, are engaged in work for a span of 6 to 10 hours. Additionally, a smaller subset, constituting 6 percent of the participants, indicated a working duration of 1 to 5 hours. Furthermore, 11 percent of the respondents, amounting to 11 individuals, reported a work schedule exceeding 10 hours. These findings provide valuable insights into the work patterns of the respondents, shedding light on their dedication and its potential impact on their income levels.

The study's findings reveal distinctive characteristics of the respondents in terms of the duration of their business operations. A majority of the participants, comprising 51

percent or 51 respondents, have been engaged in their respective businesses for a period ranging from 6 to 10 years. Additionally, 23 percent of the respondents, totaling 23 individuals, reported a business tenure spanning 1 to 5 years. Furthermore, 18 percent of the participants, equivalent to 18 respondents, indicated a business duration spanning 11 to 15 years. A smaller subset, accounting for 6 percent of the respondents, or 6 individuals, reported a business span of 16 to 20 years. Moreover, a mere 2 percent, or 2 respondents, reported a business longevity exceeding 20 years. These outcomes offer valuable insights into the varying degrees of business experience among the participants.

The study's findings illuminate the demographic characteristics of the participants in relation to their educational background. A majority of the respondents, constituting 35 percent or 35 individuals, possess an education level corresponding to junior high school. Moreover, a small proportion, comprising 5 percent or 5 respondents, have not completed elementary school. Additionally, 23 percent of the participants, equivalent to 23 respondents, have completed elementary school education. Furthermore, 27 percent of the respondents, totaling 27 individuals, have attained a high school education level. Finally, 10 percent of the participants, represented by 10 respondents, hold tertiary education degrees (Diploma / Bachelor). The subsequent section presents the outcomes of the multiple linear regression tests performed using the SPSS software series.

Table 3 Multiple Linear Regression Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	29281,688	290602,046		,101	,920
	Capital	,521	,067	,550	7,802	,000
1	Working Hours	115008,758	41129,527	,156	2,796	,006
	Length of business	33818,532	14310,852	,122	2,363	,020
	Education Level	104720,892	26081,094	,253	4,015	,000
a. Dependent Variable: Revenue						

$$\hat{Y} = 29281,688 + 0,521X_1 + 115008,758X_2 + 33818,532X_3 + 104720,892X_4$$

- The constant value of 29,281.688 means that if the variables of capital, working hours, length of business, and education level are zero, then the income of traders increases by 29,281.688 rupiah.
- The regression coefficient value of capital (X1) of 0.521 has a positive relationship with income, meaning that if the capital variable increases by one rupiah, income will increase by 0.521 rupiah with the assumption that the variable working hours, length of business and level of education remain.
- The regression coefficient value of working hours (X2) of 115,008.758 has a positive relationship with income, meaning that if the working hour variable increases by one hour, income will increase by 11,5008.758 rupiah with the assumption that the capital variable, length of business and level of education are constant.

- The regression coefficient value of length of business (X3) of 33,818.532 has a positive relationship with income, meaning that if the variable length of business increases by one year, income will increase by 33,818.532 rupiah with the assumption that the variables of capital, working hours and education level remain.
- The regression coefficient value of education level (X4) of 104,720.892 has a positive relationship with income, meaning that if the education level variable increases by one year, income will increase by 104,720.892 rupiah with the assumption that the capital variable, working hours, and length of business are fixed.

A. The Effect of Capital on the Income of Informal Sector Culinary Traders in Denpasar City

The outcomes of the multiple linear regression analysis reveal a significance value of 0.000 (where 0.000 < 0.05). This result substantiates the acceptance of the alternative hypothesis (H₁) and the rejection of the null hypothesis (H₀), which means that "There is a positive and significant effect of capital on the income of informal sector culinary traders in

Denpasar City". One of the important things needed at the beginning of starting a trading business is capital. Romadina (2019) explains that working capital or working capital is short-term assets used to finance the daily operations of traders, where the funds invested are anticipated to be swiftly recovered by traders through the sale of their products.. Capital is needed to finance daily operations or so-called fixed costs of a business such as shopping materials from suppliers and salaries, where the money will return to the business cash through sales proceeds.

The influence on increasing trader income is notable. Correspondingly, Yuniarti (2019) contends that a relatively substantial capital enables traders or business proprietors to diversify their range of products, consequently attracting greater consumer interest and purchases. From this standpoint, it can be inferred that improved capital investment in establishing a business positively and significantly affects the income of culinary traders. These findings align with prior research conducted by Lestari (2021), which highlights the positive and significant impact of capital on trader income.

B. The Effect of Working Hours on the Income of Informal Sector Culinary Traders in Denpasar City

The outcomes of the multiple linear regression analysis indicate a significance value of 0.006 ($0.006 < 0.05$). This finding supports the acceptance of H_1 and the rejection of H_0 , which means that "There is a positive and significant effect of working hours on the income of informal sector culinary traders in Denpasar City". Working hours are the duration of time for traders from opening a business to closing it in hours. elucidates that the consequences of business operating hours underline the necessity for business proprietors or traders to maximize peak hours for marketing their products. This involves a heightened focus on merchandise quality and adept implementation of pricing strategies, ultimately contributing to the augmentation of income for small businesses.

The importance of working hours on the income of informal sector culinary traders in Denpasar City is that traders can adjust working hours to consumer behavior according to the products they have. Traders can determine special working hours such as working at night in strategic environments, full days on weekends or national holidays, and have fixed working hours during the weekday. The ability to determine their working hours has a positive impact on their income.

In line with the opinion expressed by Romadina (2018) that the length of working hours that individuals actually use for trading activities allows traders to sell more of the goods they have, so that the more goods they sell means increasing the income of traders. Based on this explanation, the researcher can conclude that the higher the working hours used in trading, the positive and significant impact on increasing the income of culinary traders. The results of this study are in line with previous research conducted by Lestari (2021) which states that working hours have a positive and significant effect on trader income. because when traders have high working hours and understand consumer behavior

according to the products sold, it will increase the income of traders in the culinary sector.

C. The Effect of Length of Business on the Income of Informal Sector Culinary Traders in Denpasar City

The observed significance value is 0.020, which is less than the threshold of 0.05. This outcome confirms the acceptance of the alternative hypothesis (H_1) and the rejection of the null hypothesis (H_0), indicating a positive and significant correlation between the length of business and the income of informal sector culinary traders in Denpasar City. The study establishes that an extended period of business engagement contributes to a noteworthy impact on income. A crucial factor leading to business failures is the absence of experience. Entrepreneurs with substantial experience and a lengthy history of business involvement indirectly cultivate a broad network and connections, which prove advantageous for effective product marketing. Romadina (2018) elucidates that the duration of a business actor's engagement in their field significantly influences productivity, resulting in heightened efficiency and reduced production costs. Moreover, prolonged involvement in the trading sphere bolsters understanding of consumer preferences and behavior, fosters stronger business relationships, and expands the customer base.

Experience is obtained because of the length of business and its impact on the income of informal sector culinary traders in Denpasar City that traders with high working hours have gone through various obstacles and obstacles in running a business, so that from these failures it can be used as an evaluation for traders in running their business so that they have a special formulation in increasing income. Echoing the perspective of Yuniarti (2019) which emphasizes the importance of business owners maintaining an optimistic outlook to enhance future prospects, it becomes evident that experiences serve as invaluable mentors. The lessons drawn from past business encounters function as guiding beacons, steering entrepreneurs away from repeating prior mistakes and facilitating income augmentation. Consequently, the researcher deduces that a person's business acumen is discernible through their duration of engagement in a particular venture. As time invested in entrepreneurial pursuits extends, expertise accumulates, heightening the likelihood of income growth. These findings harmonize with a study by Alifiana (2021) affirming that the hours invested in business endeavors wield a positive and substantial influence on trader income.

D. The Effect of Education Level on the Income of Informal Sector Culinary Traders in Denpasar City

The results of the multiple linear regression analysis indicate a significance value of 0.000 ($0.000 < 0.05$). This value provides evidence for the acceptance of H_1 and the rejection of H_0 , signifying that "There is a positive and significant influence of education level on the income of informal sector culinary traders in Denpasar City." Limited education and insufficient human resource quality contribute to a lack of proficiency in business management. A higher educational attainment enhances the comprehension and knowledge of business operators concerning management practices, fostering professionalism in business operations

and effective interactions with consumers. Sidik (2021) elucidates that education serves as a catalyst for altering attitudes and behaviors, refining and expanding mindsets, insights, and facilitating the assimilation of transformative information that fosters innovation and advancement in entrepreneurial endeavors.

Good knowledge and human resources and their impact on the income of informal sector culinary traders in Denpasar City that a business can run well if done with adequate knowledge by using good strategies and effectiveness in increasing business income. Efforts to improve knowledge and quality human resources are obtained through education. The ease of technology and access to information can be utilized properly by business actors by learning through *YouTube* and business trainings that can be accessed easily through social media. In addition, the role of the government is needed by providing regular and continuous business training to increase the

The importance of capital to the income of informal sector culinary traders in Denpasar City is that capital is a vital part of running a business because business operations can run if the capital used is adequate and cash flow from upstream to downstream can run well. But so far, the obstacle faced by culinary traders in the tourism sector is the lack of business capital due to the pandemic effect due to the decline in tourist visits which has caused traders' income to decline so that the capital owned is used to cover operational costs. Therefore, the role and support of the government is needed to provide capital assistance to traders both in cash and credit systems so that knowledge of business actors in running a business. In line with the opinion expressed by Oktaviana (2021) that education investment is a long-term investment because the benefits can be felt over time. This study's findings align with prior research conducted by Sidik (2021), which affirms that the education level exerts a positive and substantial influence on trader income.

E. Variables that have the Most Dominant Effect on the Income of Informal Sector Culinary Traders in Denpasar City

The independent variable that most dominantly affects the dependent variable can be seen from the results of the Standardized Coefficients Beta test of the highest regression model. In this study, looking at the results of the Standardized Coefficients Beta of each independent variable, namely including capital (X_1), working hours (X_2), length of business (X_3), and level of education (X_4) in Table III, it can be seen that the independent variable that has a dominant effect on the dependent variable income (Y) of informal sector culinary traders in Denpasar City is the independent variable capital (X_1) because it shows a Standardized Coefficient Beta value that is greater than the other independent variables, namely 0.550.

V. CONCLUSIONS AND SUGGESTIONS

A. Summary

- Collectively, capital, working hours, length of business, and education level exert a collective influence on the income of informal sector culinary traders in Denpasar City.
- Individually, capital, working hours, length of business, and education level each exert a positive and statistically significant influence on the income of informal sector culinary traders in Denpasar City.
- The most dominant variable affecting the income of informal sector culinary peddlers in Denpasar City is the capital variable seen from the results of the *Standardized Coefficients Beta Test* of the highest regression model.

B. Advice

- For traders, in order to increase income, they can pay attention to the capital factor, where capital is the most important factor for increasing income. Other factors such as working hours, length of business, and education level can also affect income. Thus traders must focus and pursue their work, in order to gain work experience which later can be more skillful in seeing greater opportunities so that the income earned increases.
- For the government, because the capital variable is very influential on income, the government should pay attention to aspects related to policies for providing loans or capital assistance for informal sector culinary traders to be able to produce maximum output.
- For further researchers, it is hoped that they can conduct an analysis involving other variables or factors that are thought to have an effect on the income of informal sector culinary traders.

REFERENCES

- [1]. Adhikar, D. B. (2011). Income Generation In Informal Sector: A Case Study Of The Street Vendors Of Kathmandu Metropolitan City. *Economic Journal of Development Issue*, 13 & 14 (1-2).
- [2]. Alifiana, D., Susyanti, J., & Dianawati, E. (2021). Pengaruh Modal Usaha, Lama Usaha dan Jam Kerja Terhadap Pendapatan Usaha pada Pelaku Ekonomi Kreatif di Masa Pandemi Covid-19 (Sub Sektor Fashion-Kuliner Malang Raya). *E-JRM: Elektronik Jurnal Riset Manajemen*, 10(04).
- [3]. Allam, M. A., Rahajuni, D., Ahmad, A. A., & Binardjo, G. (2019). Faktor Yang Mempengaruhi Pendapatan Pedagang Kaki Lima (PKL) Di Pasar Sunday Morning (SunMor) Purwokerto. *Jurnal Ekonomi, Bisnis, dan Akuntansi (JEBA)*, 21(2).
- [4]. Antara, I. K., & Aswitari, L. P. (2016). Beberapa Faktor Yang Mempengaruhi Pendapatan Pedagang Kaki Lima Di Kecamatan Denpasar Barat. *E- Jurnal Ekonomi Pembangunan Universitas Udayana*, 5(10), 1265-1291
- [5]. J., & Y. P. (2017). Economic Informal Sector and the Perspective of Informal Workers in India. *Arts and Social Sciences Journal*, 8(1).

- [6]. Badan Pusat Statistik Kota Denpasar (2021). Statistik Ketenagakerjaan Kota Denpasar 2021. Kota Denpasar
- [7]. Fathirah Rahma, N., & Kafrawi Mahmud, A. (2020). Pengaruh Modal Usaha, Lama Usaha, dan Pendidikan Terhadap Pendapatan Pedagang Kios di Pasar Karuwisi Kota Makassar. *ICOR: Journal of Regional Economics*, 1(1), 51.
- [8]. Fatimah Nurhayati, S. (2017). Analisis Kondisi Sosial Ekonomi, Kendala Dan Peluang Usaha Pedagang Kaki Lima: Studi Pada Pedagang Kaki Lima Di Seputar Alun-Alun Kabupaten Klaten. *Prosiding, Seminar Nasional Riset Manajemen & Bisnis 2017 "Perkembangan Konsep Dan Riset E-Business Di Indonesia*, 828
- [9]. Ghecham, M. A. (2017). The Impact of Informal Sector on Income Distribution : Could Concentration of Income be Explained by the Size of Informal Sector? *International Journal of Economics and Financial Issues*, 7(1), 594-600.
- [10]. Hidayatulloh, S., Waris, A., Permata, Y., Adrian, T., Sarwinda, N., Wiji Lestari, F., & Gede, E. A. A. (2018). Eksistensi Transportasi Online (Go Food) Terhadap Omzet Bisnis Kuliner Di Kota Malang. *Seminar Nasional Sistem Informasi, Fakultas Teknologi Informatika*, 2(1), 1423–1429.
- [11]. Huda, N., & Ismawardi, D. (2020). Analisis Faktor-Faktor yang Mempengaruhi Pendapatan Pedagang Pasar Terubuk Kabupaten Bengkalis. *Jurnal Syariah Dan Ekonomi Islam*, 1(2).
- [12]. Hope, K. R. (2014). Informal Economic Activity In Kenya: Benefits And Drawbacks. *African Geographical Review*, 33(1), 67-80.
- [13]. Husaini, A. F. (2017). Pengaruh Modal Kerja, Lama Usaha, Jam Kerja dan Lokasi Usaha terhadap Pendapatan Monza di Pasar Simalingkar Medan. *Jurnal Visioner & Strategis*, 6(2), 111–126.
- [14]. Ifeanyi A. Ojiako. (2012). Economic analysis of loan repayment capacity of small-holder cooperative farmers in Yewa North Local Government Area of Ogun State, Nigeria. *African Journal of Agricultural Research*, 7(13), 2051–2062.
- [15]. International Labour Organization. (2013). Women and Men in the Informal Economy: A Statistical Picture. In *International Labour Office – Geneva*.
- [16]. Julianto, D., & Annisa Utari, P. (2018). Analisa Pengaruh Tingkat Pendidikan Terhadap Pendapatan Individu di Sumatera Barat. *Menara Ilmu*, XII(10), 24–34.
- [17]. Lestari, N. P., & Widodo, S. (2021). Pengaruh Modal Usaha, Lama Usaha, dan Jam Kerja Terhadap Pendapatan Pedagang Pasar Tradisional Manukan Kulon Surabaya. *03(1)*, 8–19.
- [18]. Lismalasari, E., & Aswitari, L. P. (2021). Analisis Beberapa Faktor Yang Mempengaruhi Pendapatan Pedagang Kaki Lima Perempuan Di Kota Denpasar. *E-Jurnal EP Unud*, 10(3), 986–1013.
- [19]. Maharani Putri, N. M. D., & Jember, I. M. (2016). Pengaruh Modal Sendiri dan Lokasi Usaha Terhadap UMKM di Kabupaten Tabanan (Modal Pinjaman sebagai Intervening). *Jurnal Ekonomi Kuantitatif Terapan*, 9(2), 142–150.
- [20]. Manning, C., & Pratomo, D. S. (2013). Do Migrants Get Stuck In The Informal Sector? Findings From a Household Survey In Four Indonesian Cities. *Bulletin of Indonesian Economic Studies*, 49(2), 167-192.
- [21]. Fathirah Rahma, N., & Kafrawi Mahmud, A. (2020). Pengaruh Modal Usaha, Lama Usaha, dan Pendidikan Terhadap Pendapatan Pedagang Kios di Pasar Karuwisi Kota Makassar. *ICOR: Journal of Regional Economics*, 1(1), 51.
- [22]. Fatimah Nurhayati, S. (2017). Analisis Kondisi Sosial Ekonomi, Kendala Dan Peluang Usaha Pedagang Kaki Lima: Studi Pada Pedagang Kaki Lima Di Seputar Alun-Alun Kabupaten Klaten. *Prosiding, Seminar Nasional Riset Manajemen & Bisnis 2017 "Perkembangan Konsep Dan Riset E-Business Di Indonesia*, 828.
- [23]. Hidayatulloh, S., Waris, A., Permata, Y., Adrian, T., Sarwinda, N., Wiji Lestari, F., & Gede, E. A. A. (2018). Eksistensi Transportasi Online (Go Food) Terhadap Omzet Bisnis Kuliner Di Kota Malang. *Seminar Nasional Sistem Informasi, Fakultas Teknologi Informatika*, 2(1), 1423–1429.
- [24]. Huda, N., & Ismawardi, D. (2020). Analisis Faktor-Faktor yang Mempengaruhi Pendapatan Pedagang Pasar Terubuk Kabupaten Bengkalis. *Jurnal Syariah Dan Ekonomi Islam*, 1(2).
- [25]. Husaini, A. F. (2017). Pengaruh Modal Kerja, Lama Usaha, Jam Kerja dan Lokasi Usaha terhadap Pendapatan Monza di Pasar Simalingkar Medan. *Jurnal Visioner & Strategis*, 6(2), 111–126.
- [26]. Ifeanyi A. Ojiako. (2012). Economic analysis of loan repayment capacity of small-holder cooperative farmers in Yewa North Local Government Area of Ogun State, Nigeria. *African Journal of Agricultural Research*, 7(13), 2051–2062.
- [27]. International Labour Organization. (2013). Women and Men in the Informal Economy: A Statistical Picture. In *International Labour Office – Geneva*.
- [28]. Julianto, D., & Annisa Utari, P. (2018). Analisa Pengaruh Tingkat Pendidikan Terhadap Pendapatan Individu di Sumatera Barat. *Menara Ilmu*, XII(10), 24–34.
- [29]. Lestari, N. P., & Widodo, S. (2021). Pengaruh Modal Usaha, Lama Usaha, dan Jam Kerja Terhadap Pendapatan Pedagang Pasar Tradisional Manukan Kulon Surabaya. *03(1)*, 8–19.
- [30]. Lismalasari, E., & Aswitari, L. P. (2021). Analisis Beberapa Faktor Yang Mempengaruhi Pendapatan Pedagang Kaki Lima Perempuan Di Kota Denpasar. *E-Jurnal EP Unud*, 10(3), 986–1013.
- [31]. Maharani Putri, N. M. D., & Jember, I. M. (2016). Pengaruh Modal Sendiri dan Lokasi Usaha Terhadap UMKM di Kabupaten Tabanan (Modal Pinjaman sebagai Intervening). *Jurnal Ekonomi Kuantitatif Terapan*, 9(2), 142–150.
- [32]. Nursyamsu, Irfan, R. Mangge, I., & Anwar Zainuddin, M. (2020). Pengaruh Modal Kerja dan Jam Kerja Terhadap Pendapatan Pedagang Kaki Lima di Kelurahan Kabanena. *Jurnal Ilmu Ekonomi Dan Bisnis Islam*, 2(1), 90–105.

- [33]. Omerzel, D. G. (2010). The impact of knowledge management on SME growth and profitability: A structural equation modelling study. *Africa Journal of Business Management*, 4(16), 3417–3432.
- [34]. Oktaviana, W., Fino, A., & Putri, Y. E. (2021). Pengaruh Modal, Biaya Produksi, Jumlah Tenaga Kerja Dan Tingkat Pendidikan Terhadap Pendapatan Umkm Sektor Kuliner Di Kecamatan Lubuk Begalung Kota Padang. *Horizon*, 1(2), 367-383.
- [35]. Prananta, K. A. S., & Ayuningsasi, A. A. K. (2019). Faktor - Faktor Yang Mempengaruhi Pendapatan Pedagang Kaki Lima Di Kecamatan Denpasar Selatan. *E-Jurnal EP Unud*, 8(11), 2778–2806.
- [36]. Priyambodo, H. (2021). Perkembangan Usaha Mikro Kecil dan Menengah Kerajinan Batik Binaan PT. Pertamina Hulu Ulu Energi ONWJ di Kota Cirebon. *Jurnal Studi Ilmu Keislaman*, 1(1), 108–126. <http://jurnal.staima.ac.id/index.php/masile/article/view/23%0Ahttps://jurnal.staima.ac.id/index.php/masile/article/download/23/18>
- [37]. Purwanti, E. (2012). Pengaruh Karakteristik Wirausaha, Modal Usaha, Strategi Pemasaran Terhadap Perkembangan Umkm Di Desa Dayaan Dan Kalilondo Salatiga. *Jurnal Ilmiah Among Makarti STIE AMA SALATIGA*, 5(1).
- [38]. Rahma, N. F. (2021). *Pengaruh Modal Usaha, Lama Usaha, Dan Pendidikan Terhadap Pendapatan Pedagang Kios Di Pasar Karuwisi Kota Makassar*. UIN Alauddin Makassar.
- [39]. Rani. (2019). Pengaruh Modal Dan Lama Usaha Terhadap Pendapatan Pedagang Di Pasar Tradisional Pasar Minggu. *Widya Cipta - Jurnal Sekretari Dan Manajemen*, 3(1), 143–148.
- [40]. Risky Pratama, I. G., & MurjanaYasa, I. G. W. (2018). Elastisitas Harga Cabai Dan Pendapatan Pedagang Kaki Lima Di Kota Denpasar. *E-Jurnal EP Unud*, 7(9), 1983–2010.
- [41]. Romadina, D. (2019). Pengaruh Modal Kerja, Jam Kerja dan Lama Usaha terhadap Pendapatan Pedagang Kaki Lima Perempuan dalam Perspektif
- [42]. Ekonomi Islam (Studi Kasus Pasar Bambu Kuning Tanjung Karang Pusat Bandar Lampung) (Doctoral dissertation, UIN Raden Intan Lampung).
- [43]. Riyani, D., & Jember, I. M. (2020). Analisis Faktor-Faktor Yang Mempengaruhi Produktivitas Dan Pendapatan Pedagang Keliling Di Kabupaten Badung. *E- Jurnal EP Unud*, 9(6), 1402–1430.
- [44]. Rosita, R., Irmanelly, & Ermaini. (2020). Analisis Faktor-Faktor Yang Mempengaruhi Pendapatan Pedagang Kaki Lima (Studi Kasus Wisata Taman Jomblo Kotabaru Jambi Pasca Pandemi Covid-19). *Jurnal Ilmiah Ekonomi Dan Bisnis*, 11(November), 118–124.
- [45]. Sari, N. (2018). Pengembangan Ekonomi Kreatif Bidang Kuliner Khas Daerah Jambi. *Jurnal Sains Sosio Humaniora*, 2(1), 51–60.
- [46]. Sidik, S. S., & Ilmiah, D. (2021). Pengaruh Modal, Tingkat Pendidikan Dan Teknologi Terhadap Pendapatan Usaha Mikro Kecil Dan Menengah (Umkm) Di Kecamatan Pajangan Bantul. *Margin Eco*, 5(2), 34-49.
- [47]. Ulya Sari, N. (n.d.). *Analysis Income Business Food And Beverage Nformal Sector In Kecamatan Tampan City Pekanbaru*.
- [48]. Widyawati, R., & Dwi, P. (2021). *Analisis Pengaruh Jam Kerja, Jumlah Pembeli, dan Modal Usaha terhadap Pendapatan Usaha Warung Kopi (Studi Kasus pada Pedagang Usaha Warung Kopi di Kecamatan Benowo, Surabaya Barat)*(Vol. 02, Issue 2).
- [49]. Yuniarti, P. (2019). Analisis faktor-faktor yang mempengaruhi pendapatan pedagang di pasar tradisional cinere depok. *Widya Cipta*, 3(1), 2550-0805.