Analysis of MSME income based on business credit, initial capital, and workforce

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ABSTRACT

Analysis of People's Business Credit (KUR), Initial Capital, and Number of Labor on MSME Income in Jekan Raya District, (Case study: PT. Bank Rakyat Indonesia unit Yos Sudarso). Thesis Department of Development Economics, International Economics and Banking Concentration, Faculty of Economics and Business. This study aims to provide an empirical explanation of People's Business Credit Analysis (KUR), Initial Capital, and Number of Labor on MSME Income in Jekan Raya District. The research was conducted using the Quantitative Method, the primary sample data were 86 MSME actors who received KUR. Multiple Linear Regression Analysis using SPSS. The results showed that simultaneously and partially KUR, Initial Capital, and Number of Labor had a positive and significant effect on MSME Income. With a coefficient of determination of 0.675. Which means 67.5% of income is influenced by KUR, Initial Capital, and Number of Workers. While the remaining 32.5% is influenced by other variables not examined in this study.

Keywords: People's Business Credit (KUR), Initial Capital, Labor, Micro, Small and Medium Enterprises (UMKM) Income

1. INTRODUCTION

Economic growth and equality serve as key benchmarks in the developmental trajectory of a nation, particularly in the context of emerging countries that want to attain a state of affluence for their populace (Adrangi & Kerr, 2022). The significant contribution of MSMEs (micro, small and medium companies) to the national economy has been widely recognized by various stakeholders. Micro, Small and Medium Enterprises (MSMEs) are the sectors of business that provide support to the national economy (Siburian & Ompusunggu, 2023). The significance of MSMEs in the Indonesian economy is demonstrated by three measures, namely: Initially, it is worth noting that the quantity of Micro, Small, and Medium Enterprises (MSMEs) is very substantial and encompasses many segments of the economy. Furthermore, micro, small, and medium enterprises (MSMEs) possess significant capacity to accommodate the labor force. Furthermore, it exerts a substantial impact on the overall economic output of a country (Fatimah et al., 2021).

The Indonesian economy requires substantial revitalization through the establishment of small and medium enterprises (SMEs), which play a crucial role in advancing the economy (Giovanni et al., 2023). Developing micro, small, and medium enterprises (MSMEs) is imperative as they offer significant opportunities for economic growth and job creation in Indonesia(Santoso et al., 2020). This phenomena elucidates that MSMEs, or micro, small, and medium enterprises, are highly efficient businesses that are established to bolster both major and minor economic advancements in Indonesia, while also exerting impact on other sectors that have the potential for growth. The government's capacity to address all development issues is limited due to constraints in budgetary estimates, manpower, and oversight. Consequently, entrepreneurship emerges as a potent force for development, contributing to both the quantity and quality of entrepreneurial endeavors (Di Vaio et al., 2022).

The government has implemented the People's Business Credit (KUR) distribution program, in partnership with PT. Askrindo and PERUM business development facilities, as a means to enhance access to

capital finance for MSMEs. This program serves as a guarantee for the MSME industry. Bank BRI is one of the implementing banks that disburse KUR. Bank Rakyat Indonesia (BRI) has extensive coverage across all sub-districts in Indonesia, specializing in micro banking and has been recognized with national and international accolades. The impact of micro banking on BRI's performance is substantial. This component may be the reason why the government trusts BRI as a bank to implement the People's Business Credit (KUR) program. The KUR fund's inception was fully funded by banking institutions in partnership with the Government. The establishment of People's Business Credit (KUR) took place on November 5, 2007, as a direct response to President Susilo Bambang Yudhoyono's Instruction No.6, issued on June 8, 2007. This instruction aimed to accelerate the development of the real sector and empower micro, small, and medium enterprises (MSMEs).

Table 1. Quantification of Micro, Small, and Medium Enterprises (MSMEs) in Palangka Raya City in 2021

No	District	Classification		
		Micro	Small	Medium
1	Jekan Raya	9.655	94	58
2	Pahandut	6.950	526	134
3	Bukit Batu	2.898	48	1
4	Rakumpit	4	0	1
5	Sebangau	1.883	58	6
	Total	21.390	726	200

Source: Palangka Raya City Department of Industry and Trade, 2021

The Department of Industry and Trade of Palangka Raya City documented the count of micro, small, and medium companies (MSMEs). Palangka Raya is recognized for its significant potential in fostering the growth of Micro, Small, and Medium Enterprises. Among the five sub-districts in Palangka Raya City, Jekan Raya District stands out with the highest number of MSME units, totaling 9,807. The number of micro, small, and medium enterprises (MSMEs) in Pahandut sub-district is 7,610 units, in Bukit Batu sub-district is 2,947 units, in Rakumpit sub-district is 5 units, and in Sebangau sub-district is 1,947 units.

One of the hindrances to business or MSME development is the lack of sufficient cash. Capital refers to any type of wealth that can be utilized either directly or indirectly in the process of production. Capital is a fundamental prerequisite for establishing a business and is typically a hindrance. Initial capital, also known as investment, refers to the funds used to acquire production equipment and capital goods. The purpose of this expenditure is to enhance the capital in economic activities that are involved in the creation of products and services. Capital plays a crucial role in the production process as it is necessary for entrepreneurs to establish new companies or expand existing businesses. Insufficient capital can disrupt business operations and subsequently impact the income generated.

The development of MSMEs faces numerous obstacles and challenges, one of which is the constraint of insufficient cash for MSME players. Hence, the government offers supplementary capital aid through the People's Business Credit (KUR) program. KUR entails providing credit or financing to micro, small, and medium enterprises (MSMEs) in the form of additional working capital and investment. This support is accompanied by guarantee facilities for productive businesses, which are administered by banks and have the potential to generate employment opportunities for the general public. The employment options offered to MSMEs will entice a larger workforce to engage in the production process, hence enhancing production outcomes.

2. LITERATURE REVIEW

Income

Keynes's Income Theory elucidates the correlation between present income (disposable income) and immediate consumption. Put simply, the income possessed at a specific moment will impact the consumption undertaken by individuals throughout that same period(Maha & Ompusunggu, 2023). An increase in income will lead to a corresponding rise in consumption, and conversely, a decrease in income will result in a decrease in consumption. Income refers to the total amount of earnings that individuals receive for their labor throughout a specific timeframe, such as daily, weekly, or annually (Richards, 2020). The primary objective of trading, in its most basic form, is to acquire profit or income. In economics, the fundamental assumption is that an industry seeks to maximize its profit through output.

1. Income is derived from several sources, specifically: 1. Internal Revenue Income acquired from different members or shareholders (original capital) or all members associated with the company itself.
2. External Income Income derived from external entities, whether or not they contribute to the efficient operation of the company's activities. Additional sources of income may include bank interest and other forms of revenue.
3. Business Results Income derived from the outcomes of corporate operations or activities, such as revenue generated from conducted services.

Micro, Small and Medium Enterprises (MSMEs)

The Central Statistics Agency (BPS) offers a definition of MSMEs that is determined by the number of workers involved. Small businesses are defined as enterprises with a staff size ranging from 5 to 19 individuals, whilst medium firms are characterized by a workforce of 20 to 99 workersn(Firdausya & Ompusunggu, 2023).

As per Ministry of Finance Decree Law no. 20 of 2008, small businesses are economically productive entities that operate independently, either as individual ventures or separate business entities. These businesses are not subsidiaries of, and are not owned, controlled, or affiliated with small and medium enterprises or large businesses that meet the criteria of small and medium enterprises as defined by the law (Nanda & Ompusunggu, 2023). Enabling micro and medium companies (MSMEs) is crucial and critical in preparing for the future economy, particularly in fortifying the framework of the national economy. The prevailing nationwide economic crisis has profoundly impacted the stability of the nation, both economically and politically. Consequently, there has been a deterioration in the performance of major corporations and a decline in overall economic activity. However, micro, small, and medium enterprises (MSMEs) have managed to sustain their business operations to a substantially greater extent. MSMEs are autonomous and productive business enterprises conducted by individuals or business entities across all economic sectors (Arifin et al., 2021).

Criteria for Micro, Small and Medium Enterprises (MSMEs)

As to Law Number 20 of 2008, Micro, Small, and Medium Enterprises (MSMEs) are defined by the following criteria (Triandaru 2010):

1. A micro business refers to a productive business that is held by an individual or an entity owned by an individual, and it must meet specific criteria: Possessing a net worth not exceeding IDR 50,000,000 (fifty million rupiah), excluding any land and structures associated with the business's location. Our annual sales do not exceed IDR 300,000,000 (three hundred million rupiah).
2. Small businesses refer to independent economic enterprises operated by individuals or business entities that are not subsidiaries or branches of larger companies. These larger companies must meet certain criteria, including a net worth ranging from IDR 50,000,000 to IDR 500,000,000 (excluding land and buildings) or annual sales proceeds ranging from IDR 300,000,000 to IDR 2,500,000,000.
3. Medium Enterprises refer to independent productive economic enterprises operated by individuals or business entities that are not subsidiaries or branches of small or large businesses that meet specific criteria. Possess a net worth above IDR 500,000,000 (five hundred million rupiah) but not exceeding IDR 10,000,000,000 (ten billion rupiah), excluding any land and structures associated with the business's location. The company's annual revenues range from IDR 2,500,000,000 (two billion five hundred million rupiah) to a maximum of IDR 50,000,000,000 (fifty billion rupiah).

Factors Affecting Income

People's Business Credit (KUR)

People's Business Credit, also known as KUR, refers to credit or financing provided to bank debtors for the purpose of working capital or investment (Lestari & JUNIARIANI, 2021). The People's Business Credit (KUR) is a component of the government's initiative aimed at providing credit facilities or funding to viable Micro, Small, and Medium Enterprises (MSMEs) that lack the necessary collateral demanded by creditors. The focus of KUR is on micro, small, and medium enterprises (UMKM) that are in need of funding and have been deemed viable by financial institutions (Cahyono et al., 2023). However, these enterprises lack adequate collateral as required by the lending criteria. Granting a credit facility serves a distinct objective. Outlines the primary goals of offering credit as:

1. Pursuing financial gain by specifically seeking to generate returns through the provision of credit. The primary outcomes consist mostly of interest earned by the bank as compensation and credit management costs imposed on clients.
2. Our objective is to assist customers in securing financing for their enterprises, including investment capital and working capital. The debtor will utilize these monies to enhance and expand his business operations.
3. Assisting the government, it is advantageous for banks to spread more credit, as this leads to enhanced development across multiple sectors.

Initial capital

Capital as a sum of money that serves as the foundation for forming a corporation. These monies are allocated to support the company's operations in the production of goods and services. Any economy, the production of goods necessitates the use of capital goods. Even in a rudimentary economy, the presence of capital products is necessary. In a primitive economy, capital products such as nets, hoes, and plows are utilized. In the contemporary economy, the need for capital goods has increased significantly (Garina et al., 2020).

KUR Loan Capital

KUR loan capital plays a significant role in the production process. Capital is necessary for entrepreneurs to establish a firm or grow an already existing business. Inadequate capital will impede the seamless operation of the business, thereby impacting the acquired income.

Labor

Labor is a process consisting of planning, organizing, leading and controlling activities related to job analysis, job evaluation, procurement, development, compensation, promotion and termination of employment in order to achieve goals. which has been set (Panggabean et al., 2020). Labor production factor (labor) is a human resource whose abilities can be used for the production process, which is important to pay attention to in the production process in sufficient quantities, not only looking at the presence of labor but also the quality and productivity of labor that needs to be considered. Also. Several things that must be considered regarding labor are as follows:

Labor availability, availability needs to be sufficient. The number of workers required should be adjusted to the needs in optimal numbers.

1. The quality of the workforce and abilities are considerations that should not be underestimated. Production resources are needed for certain jobs and are limited in number.
2. Gender, will determine the type of work. Male workers will have functions that are quite different from female workers, such as transportation, packing and so on which tend to be more appropriate for male workers compared to women. Female workers often handle work problems that require patience.

Temporary or seasonal workers in the agricultural sector. The existence of seasonal workers will cause an additional number of unemployed workers. Wages for women and men are certainly different. This difference is also caused by class level, education or other things.

1. Demand for labor

   Economics, demand is defined as the highest amount of products and services that consumers or buyers want to acquire at any given price within a specific timeframe.

   Labor demand refers to the correlation between pay and the quantity of workers that entrepreneurs are willing to hire. Labor demand refers to the quantity of workers that an entrepreneur hires at various salary levels within a specific time frame.

2. Labor supply

   The theory of labor supply Labor supply refers to the quantity of labor that individuals are willing and able to provide at various salary levels within a specific time frame.

   According to classical thought, workers are autonomous persons with the prerogative to choose whether or not to engage in employment. Employees also possess the entitlement to ascertain the quantity of working hours. This approach is grounded in consumer theory, where each individual strives to optimize their pleasure within the given constraints. In Sumarso's study conducted in 2003,

3. METHODS

This form of quantitative descriptive research seeks to elucidate numerous conditions, situations, or variables that occur in society and are the subject of investigation based on observed phenomena. The purpose of this research is to determine the impact of KUR, Initial Capital, and Number of Workers on MSME Income in Jekan Raya District, using a descriptive quantitative technique (Sugiyono, 2017).

Population refers to a certain area encompassing things or persons with distinct features and characteristics, which are selected by researchers for study and subsequent drawing of conclusions (Sugiyono, 2007). The population under investigation comprises around 611 individuals in 2021, specifically the MSMEs who are customers of KUR BRI Yos Sudarso Unit in Palangka Raya City. Sample as a subset or representative of the population under study. The sampling technique employed is a probability sampling technique, which ensures that every population has an equal chance of being included in the study's sample (Silalahi et al., 2022). The research used a probability sampling technique known as simple random sampling, wherein each sample is randomly selected for inclusion (Gebang et al., 2022).

This research uses quantitative methods. Data analysis uses multiple linear regression resulting from a linear equation involving the variables KUR (X1), Initial Capital (X2), and Number of Workers (X3), on MSME Income (Y), then the multiple linear regression method will be used which utilizes relationship between two or more variables (Ghozali, 2016).

$$Y = a + b1X1 + b2X2 + b3X3 + e$$

Information:
Y   = MSME Income (Rp)
X1   = KUR (Rp)
X2   = Initial Capital (Rp)
X3   = Number of Workers (People)
a   = Constant
b1,2,3 = Regression Coefficient
e   = error

Partial Test (t-Test).

This is done to test each independent variable whether there is a positive or significant influence on the dependent variable. The statistical t test value will be compared with the t table value with an error rate of α = 5%. According to Sugiyono (2016), the t test is used to partially test the influence of the independent variable on the dependent variable.

Formula :
$$t = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

Information:

t   : t test value
r   : Correlation coefficient
r^2 : Coefficient of determination
n   : Total population

Partial hypothesis testing is also based on probability values obtained from SPSS processing in the sig or significant column coefficient table, namely:

 a.   If the probability is > 0.05 then H0 is accepted.
 b.   If probability <0.05 then H0 is rejected.

Simultaneous Test (F-Test).

This is done to jointly test the independent variables to see whether there is a positive or significant influence on the dependent variable. The calculated F test value will be compared with the table F value with an error rate of α = 5%. According to Ghozali (2016), the F test is a test of the regression coefficient simultaneously. This test was carried out to determine the effect of all independent variables contained in the model together (simultaneously) on the dependent variable.

$$F = \frac{R^2/K}{(1-R^2)(n-k-1)}$$

Information:

R^2 = Coefficient of determination
k   = Number of independent variables
n   = Number of data members or samples

Determinant Coefficient Test (R²)

Determinants are used to see how much influence the independent variable has on the dependent variable. In other words, the determinant coefficient is used to measure the magnitude of the influence of the independent variable on the dependent variable. The values of the coefficient of determination are zero and one. The coefficient of determination can be calculated using the following formula:

$$\boldsymbol{Kd = r2} \times 100\%$$

Where:

Kd   = Coefficient of determination.
r^2 = Correlation coefficient.

4.   RESULT AND DISCUSSIONS

The objective of this research is to quantify the extent to which the independent factors (individuals' business credit, initial capital, and labor) impact the dependent variable (income) by multiple linear regression analysis. The outcomes of data processing utilizing the SPSS software are displayed in the table provided below:

Table 1. Multiple Linear Test Results

Model	Unstandardized Coef.		Standardized Coef.	T	Sig.	Collinearity	
	B	Std. Error	Beta		Tolerance	VIF	
c	-1009369.387	849226.674		-1.189			
KUR	.202	.069	.323	2.941	.330	3.034	
Initial Cap	.253	.084	.285	3.012	.442	2.265	
n Workers	1403120.585	461717.523	.303	3.039	.398	2.512	

Based on the output table above, the multiple linear regression equation can be rearranged as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$
$$Y = -1009369{,}387 + 0{,}202\ X_1 + 0{,}253\ X_2 + 1403120{,}585\ X_3 + \epsilon$$

The equation's findings can be described as follows:

 1.   A constant value of -1009369.387 indicates that the absence of People's Business Credit, Initial Capital, and Labor can have a negative impact on the Income (Y) of MSMEs in Jekan Raya District. This calculation was performed using SPSS using nominal scale units.
 2.   The regression coefficient for the People's Business Credit (KUR) variable (X1) is 0.202. This means that if the

People's Business Credit variable increases by 1% while other variables remain constant, it will result in a 0.202 increase in MSME income in Jekan Raya District. The calculation is based on nominal scale units. To clarify, the business credit coefficient (X1) of the population has a favorable impact on the income level of micro, small, and medium enterprises (MSMEs) in the Jekan Raya District.

3. The regression coefficient for the Initial Capital variable (X2) is 0.253. This means that if the Initial Capital variable increases by 1% while keeping the other factors constant, it will result in a 0.253 increase in MSME Income in Jekan Raya District, as computed using nominal scale units. To clarify, the beginning capital coefficient (X2) has a favorable impact on the income level of Micro, Small, and Medium Enterprises (MSMEs) in the Jekan Raya District.

4. In the case of the variable "Number of Workers" (X3), the regression coefficient is 1403120.585. This indicates that if the number of workers increases by 1% while keeping the other variables constant, the MSME Income in Jekan Raya District will increase by 1403120.585, as measured in nominal scale units. To clarify, the Labor coefficient (X3) has a beneficial impact on the income of micro, small, and medium enterprises (MSMEs) in the Jekan Raya District.

t Test (Partial)

The t test is carried out by comparing the calculated t values in the table above with a significance level of 5% or 0.05 and degrees of freedom.

Table 2. t test result

Model	Coefficient				
	Unstandardized Coef.		Standardized Coef.	T	Sig.
	B	Std. Error	Beta		
c	-1009369.387	849226.674		-1.189	.238
KUR	.202	.069	.323	2.941	.004
Initial Cap	.253	.084	.285	3.012	.003
n Workers	1403120.585	461717.523	.303	3.039	.003

With these conditions, the t table is 1.663. Based on the output table above, the results of the t test are as follows:

1. The variable people's business credit (X1) obtained a value of t count > t table where (2,941 > 1.663 and significant < 0.05 (0.004 < 0.05), so it can be concluded that the variable people's business credit (X1) partially has a positive effect and significant to Income (Y).

2. The initial capital variable (X2) obtained a value of t calculated > t table where (3,012 > 1.663) and significant < 0.05 (0.003 < 0.05), and it can be concluded that the initial capital variable (X2) partially has a positive and significant effect to Income (Y).

3. The labor variable (X3) obtained a calculated t value > t table where (3,039 > 1.663) and significant < 0.05 (0.003 < 0.05), and it can be concluded that the labor variable (X3) partially has a positive and significant effect to Income (Y).

F Test (Simultaneous)

This test is used to find out the whole. In this research, the F test (simultaneous test) is used to test the influence simultaneously or together of the variables People's Business Credit (X1), Initial Capital (X2), Labor (X3), on Income (Y). The criterion for simultaneous testing is that if F count < F table then there is no simultaneous influence between the independent variable on the dependent variable, whereas if F count > F table then there is a simultaneous influence between the independent variable and the dependent variable. The value sought in the F table is 5% significance.

Formula:

df1 = k – 1

df2 = n- k

Significance Level = 5% or 0.05

n = Number of Samples

k = Number of Variables

Then, (0.05) (3-1); (86-2) = (0.05); (2); (84) = 2.71

Table 4. F test result

Model	Sum of Squares	Df	Mean Square	F	Sig.
Reg	1271868141238916.0	3	423956047079638.9	56.724	.000
Res	612864068063409.2	82	7473952049553.7		
Total	1884732209302326.0	85			

From the test results in the output table above, the calculated F value > F table is obtained, namely 56,724 > 2.71 and the variable People's Business Credit (X1) with a significance of < 0.05 (0.004 < 0.05), Initial capital (X2) with a significance of < 0.05 (0.003 < 0.05), Labor (X3) with a significance of < 0.05 (0.003 < 0.05) so it can be concluded that all independent variables have a simultaneous effect on the dependent variable Income (Y).

Test the Coefficient of Determination R2

Analysis of the coefficient of determination (R Square) is used to determine how large the percentage contribution of the influence of independent variables simultaneously has on the dependent variable. The following are the results of the analysis of the coefficient of determination:

Table 5. Coefficient of Determination R2

Model Summary					
Model	R	R-Square	Adj-R Square	Std. Error	D-W
1	.821	.675	.663	2733852.958	1.828

a. Predictor : C, KUR, Initial Cap, n Workers
b. Dependent Variable: Income

The adjusted R square value of 0.675, or 67.5%, indicates that 67.5% of the variation in the income variable can be accounted for by the People's Business Credit (KUR), Initial Capital, and Labor variables. The remaining 32.5% is attributed to other variables that were not included in this study.

Discussion

This section elucidates the correlation between many independent variables, including individuals' business credit, initial capital, and the number of employees, on the dependent variable, specifically the income of micro, small, and medium enterprises (MSMEs).

1. The Impact of Individuals' Business Credit on Micro, Small, and Medium Enterprises (MSMEs) Earnings in the Jekan Raya District

Based on the test results, it is evident that the t count value (2.941) is greater than the t table value (1.663). This indicates that the hypothesis test calculation (t test) shows a significant value of 0.004 for people's business credit, which is smaller than the predetermined significance level α of 0.05 (0.004 < 0.05). Therefore, it can be concluded that people's business credit has a positive impact on the income level of Micro, Small, and Medium Enterprises (MSMEs).

2. The Impact of Initial Capital on Micro, Small, and Medium Enterprises (MSMEs) Income in the Jekan Raya District

The test results indicate that the calculated t value (2.941) is greater than the t table value (1.663), and the significance level (0.003) is smaller than α = 0.05 (0.05). Therefore, it can be concluded that the Initial Capital variable (X2) has a significant effect on the level of MSME income in Jekan Raya District.

3. The impact of workforce size on the income of micro, small, and medium enterprises (MSMEs) in the Jekan Raya District.

Based on the test findings, it is evident that the computed t value (2.941) is greater than the t table value (1.663). Additionally, the significance level (0.003) is smaller than the predetermined α value of 0.05. Therefore, it can be inferred that the number of workers has a positive impact on the revenue of Micro, Small Businesses, and Medium Enterprises (MSMEs).

The research conducted is an experimental study, with the obtained results expected to serve as a crucial factor in the consideration and decision-making process aimed at enhancing the income of MSMEs. In addition, it is expected that the relevant parties can adopt a broader perspective on the issues surrounding the growth of MSME income and gain an understanding of the strategies implemented to address these challenges.

Based on the findings of this study, it can be concluded that the success of people's business credit and MSME income in Jekan Raya District is directly correlated to the growth in business credit received by MSMEs from the Bank. This increase in credit leads to improved production outcomes and subsequently higher income levels. The relationship between capital and income of MSMEs in Jekan Raya District can be described as a positive correlation, meaning that as the amount of capital invested increases, the business income would likewise increase. Within a business, the requirement for supplementary capital or an augmentation in business capital arises. This is because insufficient business capital might impede or halt the production process. Business entities must augment their capital or pursue extra funding for their operations. If the business has sufficient cash, its operations will function smoothly (Giovanni & Subianto, 2023). cash is the fundamental factor in corporate development, and a lack of it can lead to stagnation.

The research findings indicate that labor and income play a significant role in influencing business outcomes. Specifically, an increase in the number of workers leads to accelerated production activities,

resulting in higher sales and consequently, increased income. Labor, therefore, serves as a crucial factor in supporting the success of a business.

5. CONCLUSIONS

From the presented research findings and subsequent discussions, it is possible to derive conclusions.

1. The findings from the initial hypothesis investigation indicate that People's Business Credit has a favorable and substantial impact on the income of micro, small, and medium enterprises (MSMEs) in the Jekan Raya District.
2. The findings of the second hypothesis investigation indicate that the level of Initial Capital has a favorable and substantial impact on the income of Micro, Small, and Medium Enterprises (MSMEs) in the Jekan Raya District.
3. The findings of the third hypothesis inquiry indicate that labor has a favorable and substantial impact on the income of MSMEs in the Jekan Raya District.
4. The findings of the fourth hypothesis investigation indicate that People's Business Credit, Initial Capital, and Number of Workers have a favorable and statistically significant impact on MSME Income in Jekan Raya District.

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